

FINANCIAL TIMES

CANADA Merger mania grips the country Page 18

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World News

Two more Recruit executives arrested

Two more executives from the Recruit publishing group were arrested and sent to jail in connection with the widening scandal over the group's gifts to a large number of leading Japanese politicians, civil servants and businessmen.

38 die in Sri Lanka

At least 38 people were killed in a police-related violence as thousands of Sri Lankans defied leaving rebel death threats to vote in parliamentary elections.

Sakharov surprise

Dr Andrei Sakharov, spiritual father of Soviet human rights activists for two decades, threw a bombshell into the national election campaign by announcing his decision not to stand unless nominated by the Academy of Sciences.

UK releases plan

British Government will announce soon that it is going ahead with plans to provisionally draw up last December for the UK to accept 100,000 Vietnamese refugees from Hong Kong over the next two to three years.

Chernobyl fears

Deformed animals on a Ukrainian farm, part of the Petrosky collective in Naroditsky more than 50 km from the Chernobyl power station, have created fears about lasting environmental damage from the 1986 accident.

S Korean protest

South Korean police battled hundreds of firebomb-throwing protesters in the streets of Kwangju during a visit to the south-western city by President Roh Tae-woo.

SA police find child

Police identified a badly decomposed body found in Swaziland as that of "Stompie" Mosekale Sepele, a missing child alleged to have been assassinated last month by the bodyguards of black activist Winnie Mandela.

Kinshasa demo

Over 1,000 Zairian students fought in Kinshasa with armed police in the latest violent protest against public transport costs and authorities responded by closing the University of Kinshasa.

Business Summary

Argentina's financial crisis deepens

ARGENTINA'S financial crisis deepened with monthly interest rates reaching 22 per cent and the black market exchange rate for its currency registering a further devaluation of almost 2 per cent.

Japan

Nikkei average began its upward climb in early trading thanks to a stronger yen and an influx of funds which drove share prices to another record high.

WEST GERMAN

WEST GERMAN criminal investigation officials searched the offices of Co op, troubled German food retailer which is now owned by a group of banks, in a number of cities, including its Frankfurt headquarters as part of the continuing investigation into the company.

GENERAL MOTORS

GENERAL MOTORS, world's leading automotive group, has earned net profits of \$3.04bn from its West European operations in the past two years.

UNION CARBIDE

UNION CARBIDE, US chemical group, has asked its Indian subsidiary to contribute part of the \$40m compensation that the Indian Supreme Court has ordered to be paid to the victims of the 1984 Bhopal gas tragedy.

NEW CAR sales

NEW CAR sales in Western Europe jumped by 11.5 per cent to 1.164m in January, according to preliminary industry estimates.

FIAT, Italian motor group

FIAT, Italian motor group, is exploring the possibility of acquiring control of Cogefar, a leading civil engineering group.

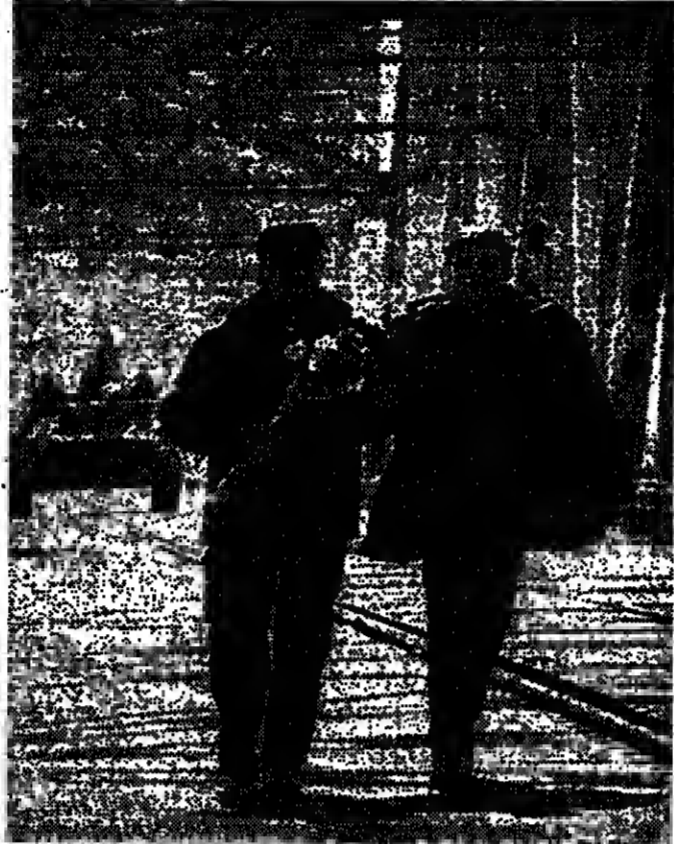
ELESSEY, embattled UK electronics group

ELESSEY, embattled UK electronics group, has decided to appeal against ruling in the High Court that it did not have the right to buy out General Electric Company's half share of their telecommunications joint venture, GPT.

Soviet Afghan commander takes the final step

By Quentin Peel in Moscow and Robin Pauley in London

LIEUTENANT-General Boris Gromov, commander in chief of the Soviet troops in Afghanistan, was the last Soviet soldier to leave Afghanistan yesterday, the UN agreed deadline for the end of the Soviet occupation which began in December 1979. He walked across the border on the Bridge of Friendship over the Oxus river without looking back.



General Gromov accompanied by his 14-year-old son Maxim, who was at Friendship Bridge to greet the returning troops.

His symbolic steps completed the process several hours ahead of the deadline of noon local time. He wiped his eyes as he arrived on the Soviet side where he was greeted by his teenage son, Maxim, but an aide insisted that it was only to wipe away the following dust.

Although the speeches of welcome at the Soviet border town of Termez stressed only the heroic contribution of Soviet soldiers to their allies in Afghanistan, they were matched in Moscow by a rising chorus of admissions that the whole adventure was an awful mistake.

Gen Gromov, at 45 one of the new generation of Soviet military commanders, battle-hardened with three tours of duty in Afghanistan, insisted that "in spite of our sacrifices and losses, we have fulfilled our internationalist duty to the end." Latest Soviet figures say some 15,000 Soviet troops died and 87,000 were wounded in the war, which left an estimated 1m Afghans dead.

But the Mujahideen are massing around Kabul and other cities. Some reports say the Afghan Government is reinforcing the defence of Jalalabad, the second city, with powerful Soviet Scud ground-to-ground missiles. A Soviet Foreign Ministry spokesman in Moscow said guerrilla forces were attempting to strengthen their positions around the Salang highway which links Kabul with the Soviet border.

Bonn tightens arms exports rules

By David Goodhart in Bonn

THE West German Government will raise from two to 15 years the maximum prison sentence for breach of the West Weapons Control Act, which limits the export of all weapons, or weapon parts, outside the Nato area.

The increase was the most eye-catching part of a package of legal and institutional reforms announced yesterday by the Government designed to prevent a repetition of the role played by German companies in building a suspected chemical weapons plant in Libya.

Much of the criticism of the German export control system since the "Libyan affair" has centred more on ineffective enforcement than inadequate laws. The beefing-up of the control machinery has been welcomed by US officials.

Mosbacher bids for US role in EC talks on 1992 free market

By Nancy Dunne in Washington

MR Robert Mosbacher, the new US Commerce secretary who promised Congress he would play a tough, assertive role in trade policy, has suggested that the US should be given a place in the negotiations for a European single market.

He has also suggested there may be a role for reciprocity in foreign investment rules, in contradiction with the President and other cabinet members who have lauded investment as beneficial for the US economy.

Mr Mosbacher has been moving ahead on his top-level department nominations. Among the names reportedly sent to the White House for approval is Mr Dennis Kloske, a Defence Department official, for undersecretary for export administration.

Shanouk is pessimistic on Kampuchea peace talks

Since Prince Norodom Shanouk is the leader of a coalition of three Kampuchean resistance groups, he may be the best leader of a new Kampuchea, but he thinks the coming peace talks in Jakarta, Indonesia, will fail.

In his confirmation hearings, he said one of his top priorities would be helping US industry retain its technological edge by relaxing anti-trust laws so companies can co-operate.

Mr Mosbacher had been asked by four senators to keep Mr Paul Freedbecker, the current secretary, in his post, because of his "economic security" and because of national security concerns.

MARKETS

Table with 2 columns: Market Name and Value. Includes CAC General Index, Sterling, Stock Indices, and Interest Rates.

STERLING

Table with 2 columns: Market Name and Value. Includes New York, London, and Frankfurt.

STOCK INDICES

Table with 2 columns: Market Name and Value. Includes New York, Dow Jones, S&P Comp, FT-SE 100, and World.

INTEREST RATES

Table with 2 columns: Market Name and Value. Includes US, 3-month Treasury Bills, Long Bond, and London.

COMMODITIES

Table with 2 columns: Market Name and Value. Includes Brent 15-day, Oil, and West Tex Crude.

CONTENTS

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W German threat over radar may hit fighter project

By David Goodhart in Bonn

THE West German Defence Ministry is threatening to use a separate radar system for its own models of the four-nation European Fighter Aircraft (EFA) if the Ferranti-led consortium, favoured by Britain, wins the £2bn (\$3.54bn) contract.

Iranians attack British Embassy in Tehran

By Victor Mallet in London

HUNDREDS of Iranians demonstrated outside the British Embassy in Tehran yesterday in the aftermath of Ayatollah Ruhollah Khomeini's call to Moslems to kill Mr Salman Rushdie, the Indian-born British author, and his publishers.

The disagreement over radar is the first serious dispute between the four EFA partners - the UK, West Germany, Italy and Spain - who signed a memorandum of understanding on the development of a prototype last May.

Yesterday was declared a day of mourning by the Iranian authorities because of the publication of Mr Rushdie's book, 'The Satanic Verses', which has offended many Moslems around the world.

Some observers fear the dispute may threaten the whole EFA project which, at a cost of £2.1bn, is due to bring a new generation of fighters into service by 1996.

The Iranian news agency reported Hojatoleslam Hassan Sane'i, a representative of Ayatollah Khomeini, as saying that a reward of \$1m or more had been offered to anyone who killed Mr Rushdie; the Revolutionary Guards said they were ready to carry out the Ayatollah's orders; and Mr Ali Akbar Velayati, the Foreign Minister, called on the governments of Moslem countries to close British and American cultural centres.

But officials at the Bonn Defence Ministry say they will enter the NATO, whatever decision is made by the consortium as a whole.

According to a report in yesterday's edition of Jane's Defence Weekly, officials at NEFMA say that two separate radar systems are ruled out on cost grounds.

EUROPEAN NEWS

Human rights activist says he will only stand if Academy of Sciences nominates him Sakharov threatens withdrawal from election

By Quentin Peel in Moscow

DR ANDREI SAKHAROV, the spiritual father of Soviet human rights activists for two decades, yesterday threw a bombshell into the national election campaign by announcing his decision not to stand unless nominated by the Academy of Sciences.

His move caused consternation among his supporters, who had nominated him in a string of constituencies as a candidate for the new Congress of Deputies. It finally rules out any hope of a top-level contest in the all-Moscow constituency between Dr Sakharov, and Mr Vitaly Vorotnikov, a senior politician.

Dr Sakharov sharply criticised the failure of last month's plenum of the Academy of Sciences to nominate "candidates renowned for their active role in society," but concluded: "I am indissolubly tied to the Academy of which I have been a member for 35 years... I must be a candidate for the Academy, or not at all."

However, an extra factor behind his decision not to fight a potentially exhausting election campaign could be his health. Aged 67, his years of exile clearly epped his strength, and he has looked increasingly tired.

His decision is the latest confusing signal in a campaign of contradictions, which yesterday inspired Pravda, mouthpiece of the Communist party central committee, to denounce both excessive "demagoguery" and attempts by local leaders to restrict public debate.



Dr Sakharov (right) at a recent Moscow protest meeting over election candidates.

Havel to go on trial in Prague next week

By Leslie Collitt in Berlin

MR VACLAV HAVEL, one of Czechoslovakia's leading playwrights and co-founder of the Charter 77 human rights movement, is to go on trial next Tuesday in Prague on charges of inciting a banned mass demonstration last month and resisting the authorities, according to his family.

Walesa prepares the ground for inevitable compromise

By Christopher Bobinski in Warsaw

MR LECH WALESA'S foray into the southern Polish mines of Jastrzebie this week, like that to industrial plants in Krakow and Bielsko Biala last week, is aimed more at charting the pitfalls which lie ahead of Solidarity as it attempts to negotiate its way back to a public role at round-table talks in Warsaw than winning support for the moment which is there anyway.

he suddenly seeing their leaders on state-run television, hobnobbing with officials who were often responsible for putting quite a number of them in prison.

he was greeted warmly as he advocated an evolutionary approach rather than a full blown confrontation with the Government which "some are urging me to have," he said.

Belgium's economy bounces back

By David Buchan in Brussels

THE Belgian economy bounced back last year with strong export-led growth to record a 3.9 per cent increase in gross national product compared to 2.2 per cent in 1987.

Flood tide of environmental concern engulfs the Dutch

Laura Raun on the greening of the Netherlands

A TIDAL wave of guilt over the destruction of the environment is sweeping the Netherlands. The Dutch have concluded that their country's neat, green appearance belies a harsher reality of polluted water, contaminated land and poisoned wildlife.

More than half of the country's pollution comes from sun-roving countries, which are more heavily industrialised. But the Netherlands' own refining and chemicals industries contribute to high concentrations of acid in air, soil and water, and Dutch farmers produce 50m tonnes of nutrients annually.

the present 1.6 per cent. Most of the money would go towards developing new technology, given that the plan's goals would be virtually unattainable with present know-how.

Monetary policy of UK 'gone wrong'

By Tim Dickson in Strasbourg

SIR GEOFFREY LITTLE, former chairman of the European Community's key monetary committee who retired last year after 30 years in the British Treasury, admitted here yesterday that the UK's monetary policy had "gone wrong" over the past 15 months.

Nordic states' economic growth forecast to fall

By Robert Taylor in Stockholm

ECONOMIC GROWTH rates of the Nordic countries look set to fall over the next three years, according to forecasts from the Nordic Perspective Group, an independent organisation that groups research institutes in Sweden, Norway, Denmark and Finland.

important indicator for assessing the development of the region's economies in forecasts of their level of net profit margins in 1990. This suggests that Finland - thanks mainly to stable wage conditions - will continue to enjoy sustained improvements.

Iran PM's Ankara visit boosts ties

Mr Mir Hussein Mousavi, Iran's Premier, arrived in Ankara yesterday on a visit seen as conferring a deeper political dimension to recent border agreements and continuing trade talks, writes Jim Hodgson in Ankara.

West Berlin CDU quits SPD coalition talks

By Leslie Collitt in Berlin

WEST BERLIN'S ruling Christian Democratic party (CDU), smarting from its setback in last month's elections, yesterday pulled out of coalition talks scheduled for today with the opposition Social Democrats (SPD).

European car sales accelerate

By Kevin Done, Motor Industry Correspondent

NEW CAR sales in Western Europe jumped by 11.5 per cent to 1.164m in January, according to preliminary industry estimates. The unexpectedly strong start has surprised the industry, as sales in Europe continue to defy expectations of a modest weakening in demand following four record years.

French lawyers urged to regroup to fight off foreign invasion

By George Graham in Paris

FRANCE'S STATE planning commission has called for a radical reform of the country's legal professions, in order to make them more competitive against the large US and British partnerships which have made inroads into the market.

Table with 4 columns: Volume (Units), Volume Change(%), Share (Jan-June 88), Share (Jan-June 87). Rows include TOTAL MARKET, MANUFACTURERS (Fiat, Renault, Volkswagen, Opel, Audi, General Motors, Nissan, Volvo, Toyota, Total Japanese), and MARKETS (United Kingdom, Italy, France, West Germany, Spain).

drop in the whole of 1988. Last year Volkswagen and Fiat tied in the battle for leadership of the West European car market, capturing 13.8 per cent of the market, enabled it to catch up on Fiat's commanding early lead.

Redundancies are being used to reduce contingencies rather than on legal norms. Some of the strongest resistance to environmentalist zeal is expected to come from farmers, a group with proven political muscle.

"We could have diminished the excessive boost to UK monetary conditions had we held to higher interest rates and accepted a higher currency value. There would have been better monetary conditions if we had ignored the restraints."

single central bank. "I am troubled that this unrealistic discussion, whose enthusiasts are not in general found among experts and practitioners of the financial world, may distract attention from real and achievable, and already agreed, objectives."

legal monopolies or closed shop arrangements. "If we don't watch out, tomorrow or the day after we will find that there is no French law left," said Mr Jean Claude Coulon, author of the commission's report.

between them make up around two thirds of the 33,000 jurists practising in France. This change has been discussed for some time, and advisers to Mr Pierre Arpaillange, the Justice Minister, believe legislation could be introduced within two years, despite opposition from many advocates.

in France, who in the past few years have been worried by draft legislation which would have prevented them from practising, even in their own national laws. "It is imperative that professionals from other countries should be able to come and practise in Paris. It is so important to Paris's role as a legal centre that I would argue for it even if it necessitates where French lawyers do not have reciprocity," said Mr Laurence Chamberlain, a legal counsel who worked on the report.

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AMERICAN NEWS

Rise in output points to robust growth in US

By Anthony Harris in Washington

US MANUFACTURING output rose by 0.5 per cent in January, for the second successive month, and capacity utilisation rose 0.1 per cent to 84.8 per cent, showing a total rise of 0.5 per cent over the last quarter, the Federal Reserve announced yesterday.

These figures confirm the resumption of robust growth shown in earlier figures for sales, order books and retail demand. The pressure on capacity is now approaching the 86.5 per cent seen in the boom of 1978-80, and on present trends would take less than a year to reach it. The peak of 87.7 per cent was reached in 1972.

These figures will certainly have increased the determination of the Fed to restrain the current expansion through tighter monetary policy, despite the call by President Bush on Tuesday for an accommodative monetary policy.

Fears of possible monetary over-reaction were allayed at the meeting of the Federal Open Market Committee six weeks ago now look remote. However, there is no clear sign of over-reaction at this stage. Inventories

remain at the same level in December in relation to sales as in the previous month, and have fallen hardly at all since spring 1986, as is shown in a separate announcement from the Department of Commerce.

The detailed figures from the Fed also show that bottlenecks in primary metals have now eased, though capacity remains strained in paper and chemicals, as it has been for more than a year.

In mining and public utilities, by contrast, output and capacity utilisation fell last month, mainly due to the exceptionally mild weather. This reduced the growth of total industrial output to 0.3 per cent, despite a sharp rise in construction output.

The figures from the Commerce Department show that the value of sales in December rose by 0.8 per cent, contrasting with a fall of 0.1 per cent in retail sales in the month. This suggests that the effort to rebuild retail inventories, which were reduced towards the end of 1988 on widespread fears of a slowdown, is contributing to the current growth surge.

Confidence ebbs in Brazil's resolve to fight inflation

Congress appears loath to endorse tough measures prescribed by the Government, writes Ivo Dawney

THE Brazilian Congress has thrown out legislation easing the privatisation of state industries exactly a month after the measure was announced as a centrepiece to the government's anti-inflationary strategy.

In an earlier decision, Congress rejected the closure of five ministries. Both issues, and even the dismissal of up to 90,000 civil servants - which has yet to take place - are more crucial as symbols than as real means of raising revenue or making savings. More important, in terms of the budget, are the day-to-day restraints on monetary expansion.

But at this critical stage in the psychological war on inflationary expectations, Congress's refusal to take tough decisions is a body blow.

The so-called Summer Plan, which

is the third big economic initiative in as many years by the enfeebled government of President José Sarney, aimed at using a price and wage freeze and strict austerity to cut an inflation rate exceeding 30 per cent a month.

Upon its success lies not just the fate of the Sarney administration - still with a year to run until a new president is to be elected in November, takes office - but, many argue, the future of Brazil's fragile four-year-old democracy.

Yet so far, the legislature has only agreed popular measures such as the price freeze, rejecting tough wage controls as unacceptable.

"The problem is not so much the measures, but the predisposition of the Congress against any government initiative," Mr Osmundo Reboças, a

north-eastern member of Congress, pointed out this week. "The executive and the legislature are behaving like an irrevocably divorced couple."

In an effort to win back confidence, Mr Mailson da Nobrega, the Finance Minister, was yesterday scheduled to give a press conference emphasising the rigor of his monetary policy. After an astonishing 65 per cent rise in the money supply in December and 30 per cent in January, the minister will emphasise that no government paper has been issued by the Treasury this month.

Furthermore, measures already approved by the Congress have given the government authority to control tightly day-to-day expenditure within real revenues. A new budget is being drawn up and inflation is expected to be well below 5 per cent this month.

But even with "overnight" interest rates yesterday paying 29.9 per cent a month, many investors are still staying with non-cruzado assets - a clear measure of investors' insecurity. The gold price, falling in international markets, is rising in Brazil.

Moreover, the Bovespa stockmarket has risen 26 per cent this month and the black dollar, the most vivid illustration of confidence, is maintaining a margin of about 75 per cent above the official exchange rate.

Meanwhile, high interest rates are hugely increasing the burden of the country's \$38bn internal debt. About \$36bn of this is held in issued paper.

Professor Mario Henrique Simonsen, the former Finance Minister, pointed out this week that in real terms the Government is paying the equivalent of 436 per cent a year in

interest on this sum. If inflationary expectations are not reduced rapidly, this will inevitably mean rolling-over these payments - in other words an internal moratorium.

Prof Simonsen therefore argues that only by a fierce and publicly credible attack on government spending followed by a rapid unfreezing of prices can confidence be won and some measure of economic stability be achieved.

Market watchers believe, however, that if the price freeze ends before real confidence returns, the impact of destocking and a new consumer surge will create shortages and a new explosion in prices.

As Mr Carlos Alberto Girnos of Lloyds put it bluntly yesterday: "If there isn't a growth in confidence soon, the plan will collapse."

Argentine currency in fresh fall on black market Peronist warns on Falklands

By Gary Mead in Buenos Aires

ARGENTINA'S financial crisis deepened yesterday with monthly interest rates reaching 22 per cent and the black market exchange rate for its currency registering a further devaluation of almost 8 per cent.

By the end of the day the unofficial exchange rate for the austral was 29 to the US dollar, almost double the official rate set by the Government. In the last 10 days the austral has

devalued by 60 per cent on the black market.

By the end of January interest rates had soared to 20 per cent a month. President Raúl Alfonsín's economic team decided it had to try to bring them down or risk manufacturers and businessmen terminating a six-month-old voluntary price restraint agreement.

The agreement - a key part of the Government's anti-inflation programme of last August

- is still in place, despite the latest twist in the crisis.

The Government's response last week was to announce three new exchange rates, including the re-introduction of one entirely free-floating and unofficial. While interest rates dropped five percentage points and then stuck, the black market price of the dollar jumped 35 per cent in two days.

The Government's voluntary prices control agreement with

the Argentine Industrial Union, which yesterday called for an urgent meeting with President Alfonsín, is now under severe pressure. Consumer prices for the first two weeks of February have risen by more than 8 per cent, according to one prices watchdog. Some basic products such as eggs, cheese and ham have reportedly been marked up more than 30 per cent in the last week.

The leading candidate to become Argentina's next president, Mr Carlos Saúl Menem of the opposition Peronist party, has said that the Falkland Islands will "return to form part of the national territory [of Argentina] even though we have to endure the spilling of blood," writes Gary Mead.

Speaking at the opening rally of his election campaign, in the southern town of Ushuaia, Mr Menem alluded to the British as "pirates of the world". He stated that "we

Central American peace plan puts ball back in US court

Tim Coone and Richard Johns on moves to end the conflict in Nicaragua

THE two-day Central American summit, which ended on Tuesday in El Salvador, has again demonstrated that peace in the region will come first through a settlement of the nine-year-old Nicaraguan conflict.

In this sense important progress has been made. The leaders of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua have accepted that neither the US Congress nor the Bush Administration will be willing to resume funding for the Contra rebels in their fight against the Sandinista government in Managua.



Calero: grave scepticism

On this basis, the five leaders agreed to present over the next 90 days a detailed plan to demobilise the 11,000 strong Contra force based in Honduras. As a counterpart, President Daniel Ortega of Nicaragua has undertaken to bring forward by 10 months to February 1990 presidential, legislative and municipal elections and allow a contest to return should they wish to do so.

With the summit presenting a unified front on the need to consider the fate of the Contras, the ball has been thrown into Washington's court. It is hard to see detailed plans on demobilising them prospering without the active co-operation of the Bush Administration.

However, the latter still appears to be giving a low priority to Central America and has yet to nominate an appointee at the State Department, with responsibility for Inter-American Affairs, to replace the hawkish Mr Elliott Abrams.

Mr Enrique Bermudez and Mr Adolfo Calero, the two key members of the six-man directorate who control the military arm of the Contras, were unable to reject the accord out of hand. But they expressed grave scepticism over whether the Sandinista regime would honour its promises.

To base an accord on Mr Ortega's promises is the equivalent of "unleashing a dog with a string of sausages" was the immediate reaction of Mr Calero. He said that if the objectives of demobilisation and establishment of "freedom with peace and justice" resulted, "we are happy with it".

Mr Bermudez said he would return to Nicaragua only when Managua had complied with provisions of the agreement.

On the ground, the vital issue will be how the Contras are disarmed if they decide to resist. President José Azcona of Honduras said recently that the Honduran armed forces would not attempt a forced dis-

arming of the Contras on Honduran territory, although in a recent visit to Washington, he left no doubt about wanting to end their presence.

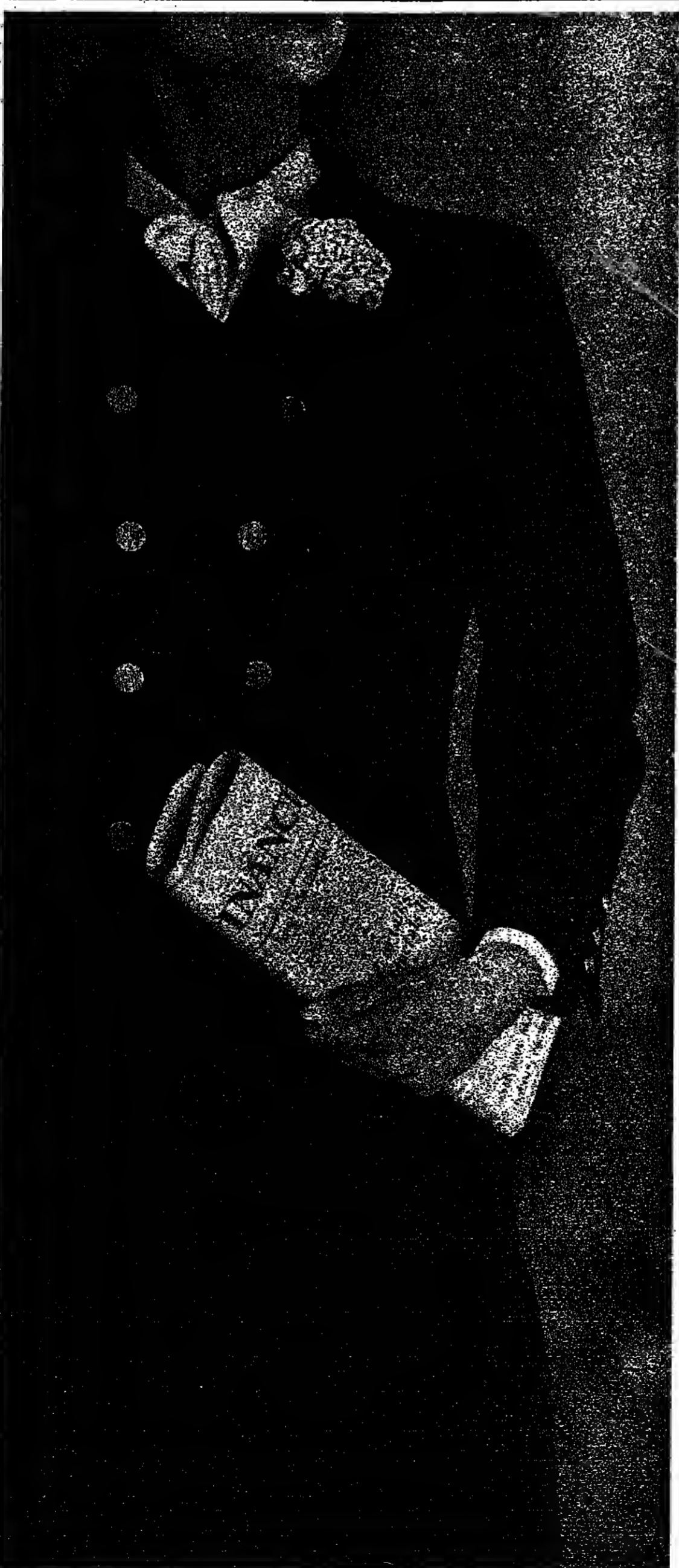
The timescale of the reforms announced by Mr Ortega suggests that the principal legislative changes will take place in the next two months. These will be particularly important in guaranteeing a transparent electoral process.

The proposed pardon of imprisoned Contras and former National Guardsmen (the latter dating from the regime of Anastasio Somoza) is an issue particularly close to Mr Bermudez's heart which may persuade him to accede to the peace plan.

Other issues central to implementing the peace plan, first put forward by President Oscar Arias of Costa Rica in 1987, were judged.

No direct mention was made of the guerrilla war in Guatemala and the question of the elections in El Salvador and the recent peace proposal by the country's FMLN guerrillas were judged to avoid embarrassing disagreements.

External financial aid to the region is conditional on implementation of the commitments made by the five leaders. The Sanford Commission Report (named after the US Democratic senator who promoted the study) was formally presented at the summit and recommends \$1.2bn in foreign loans to re-equip the countries' economies and regional trade. The report will now be presented to the US Congress, as well as to the European Parliament and the Japanese government.



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World Bank pledges aid to tackle pollution

By Peter Montagnon, World Trade Editor

THE World Bank is now firmly prepared to commit funds to help developing countries deal with pollution, Mr Barber Conable, its president, said in Manila yesterday.

In remarks prepared for delivery to Filipino businessmen, Mr Conable said the Bank was anxious to help governments pursue a goal of "zero net pollution".

Bank officials said the speech was the fruit of careful consideration by the Bank of environmental problems.

In particular, he said the Bank was opposed to trade in toxic wastes and was prepared to work with developing country governments to handle waste with clean economic technology. "If there is an extra cost, we will seek ways to have it met."

The Bank would also help industry to re-equip in countries which face problems because of international measures to reduce the production of chlorofluorocarbons - which damage the ozone layer.

OVERSEAS NEWS

Israeli inflation rate surges to 20% a year

By Andrew Whittey in Jerusalem

A SUDDEN jump in retail prices has presented Mr Shimon Peres, the Israeli Finance Minister, with the worst set of monthly inflation figures since the launch in mid-1985 of an emergency economic stabilisation programme. According to figures released yesterday by the official Central Bureau of Statistics, the consumer price index rose last month by 4.7 per cent, compared with 1.6 per cent in January 1988. It brought annual inflation in Israel to just under 20 per cent. Mr Peres, who, as Prime Minister between 1984 and 1986, presided over the emergency programme which brought inflation down from triple digit to single figures, was quick to blame the policies of Mr Moshe Nissim, the former Finance Minister, for January's unexpectedly high figures. In the opinion of most Israeli businessmen and economists, Mr Nissim should have devalued the shekel during the first half of last year. Within days of taking office, in late December, Mr Peres rectified this by lowering the Israeli currency's international value by 13 per cent. The steep price rises recorded last month in almost every sector of consumer goods except clothing and footwear were not directly attributable to the devaluation - except that many merchants clearly anticipated the Government's move by marking up their prices in advance. The real effects of the devaluation are only expected to show up in February and March, ensuring three successive months of unusually high price rises, probably putting paid to the official target of bringing annual inflation down to single figures. Given the abolition on January 1 of 60 per cent duties previously in force on manufactured imports from the European Community, retail prices should, if anything, have shown a decline in January. But this expected gain for consumers rapidly proved illusory.

Union Carbide asks Indian unit to help pay victims

By David Housego in New Delhi

UNION CARBIDE, the US chemical group, has asked its Indian subsidiary to contribute part of the \$470m (\$265m) compensation that the Indian Supreme Court has ordered to be paid to the victims of the 1984 Bhopal gas tragedy. Under the detailed settlement announced yesterday, Union Carbide Corporation of the US will pay \$425m and its Indian affiliate the rupee equivalent of \$45m. The payment by the US parent company includes \$5m already paid by Union Carbide to the Red Cross under a US court ruling to help with relief work for the gas victims. Announcement of the details of the settlement came as the Indian authorities turned their attention to the very complex task of distributing the award which comes after four years of litigation. Over 570,000 claims for compensation have been filed with local courts in Madhya Pradesh, the central Indian state of which Bhopal is the capital. More than 2,500 people were killed in the accident and about 40,000 seriously injured. In the civil suit in the Supreme Court, the Government had represented the victims in a \$3m claim for damages. Officials said yesterday that after vetting and medical check-ups, the number of claimants could be reduced by half. It was possible that the Government will deduct from the award the Rs10,000 (£363) ad hoc payment that has already been paid to surviving families of the dead, and the Rs1,500 per family for those whose monthly income fell below Rs1,500.

UK to go ahead with plan to take 1,000 boat-people

By John Elliott in Hong Kong

THE British Government will announce soon that it is going ahead with plans provisionally drawn up last December for the UK to take 1,000 Vietnamese refugees from Hong Kong over the next two to three years. Together with pledges made by other countries, including Australia and the US, this is expected to lead to at least 4,000 of the colony's total of 15,000 recognised boat-people refugees being resettled outside Hong Kong this year. This is a considerable increase over last year's 2,600. The UK move is being triggered by Australia agreeing to double its intake from 350 of the boat people last year to 700 in its current financial year. Mr Robert Ray, Australian Minister for Immigration, announced the new figure in Hong Kong yesterday. It is especially significant because it applies to the financial year ending in June, which means the extra 350 will arrive during the next few months. The UK's 1,000 over two to three years compares with 488 last year. It was announced on December 22 on condition that other resettlement countries agreed to make commensurate contributions. To begin the response was slow, although Canada said it had already drawn up plans to increase its intake from 1,100 last year to 1,700-1,800 this year. Then, at the end of January, the US told the British Government that it would take 1,000 in its 1988-89 fiscal year compared with 628 in the current year and 335 in 1986-87. France has also announced that it is taking 100 in the next few months and that it intends to play a larger role both in Hong Kong refugee camps and in its resettlement programme. But the total of 4,000 or more will still leave Hong Kong with a big problem. It has a total of 15,000 boat-people who arrived in Hong Kong before it stiffened its policy last June and said that new arrivals could not expect automatic acceptance as refugees qualifying for resettlement. Since June, about 10,440 new boat people have arrived in Hong Kong and almost all of them are expected to be classified as illegal immigrants after screening.

Soviet pull-out gives Afghans little to celebrate

By Christina Lamb in Peshawar

THE champagne was flowing in Peshawar as the American Club yesterday as aid workers, journalists, diplomats and spies gathered to celebrate the end of the Soviet withdrawal from Afghanistan. No one else was celebrating and certainly no Afghans. The Soviet soldiers had gone but Moscow's puppet regime led by President Najibullah was still in Kabul. If the Afghan resistance had made a small compromise or two with the Soviet side the guerrilla leaders would today be in Kabul with President Najibullah and most of his cabinet in exile in India and the Soviet Union. The main reason for yesterday's gloom is the lack of progress at the religious consultative council or shura convened in the Pakistani city of Rawalpindi to decide on an interim government. It encountered fresh problems daily and is now in such disarray as not to be taken seriously. Soviet leaders told senior UN and US diplomats at the end of last year that they would remove Mr Najibullah and most of his cabinet if the ruling People's Democratic Party of Afghanistan (PDPA) were given some representation at the shura and were involved in discussions about the future government. The resistance leaders refused, forcing Moscow to give maximum support and military aid in the last weeks of the occupation. But it is not just the PDPA that has no place at the shura. The Iran-based Shia Mujahideen groups and the party of the chairman of the Peshawar-based Sunni groups are boycotting the proceedings and most of the field commanders have also left in disgust. A delegation of Uzbek and Turkmen have arrived to protest against their lack of representation and 220 members of the 400 shura delegates still present have signed a petition protesting against the interim government which the most fundamentalist leaders, backed by Pakistani military intelligence, are trying to impose on them. The petitioners argue: "We have not thrown out the Russians simply to become the puppets of Pakistan." Many Western diplomats now believe that the best thing that could happen would be for the shura to fall apart. The longer it drags on without reaching consensus, the greater the chances of survival for the Kabul regime - whether headed by Mr Najibullah who is already reportedly trying to win over commanders - or some more acceptable non-party figure who could attract civilian support. Militarily, the resistance have the upper hand. Although



Shamal Khan, a Mujahideen field commander, inspects his troops yesterday close to Jalalabad, Afghanistan's second city, near the border with Pakistan.

25 of the 31 provincial capitals are still in regime control, all big cities of strategic or psychological importance are under siege, all main airports are under strike and all highways are at least partially blocked. If it were not for civilian considerations analysts believe the Mujahideen could walk over the regime. However, the bitter feud between Sunnis and Shias and extremists is becoming a potentially very serious problem. When the town of Asadabad was taken, for example, by two rival groups they could not agree on its control; it is now divided administratively with each group running its own part. Last week Mr Gulbuddin Hekmatyar, the most extreme of the fundamentalist leaders, came up when he told his commanders that if any group other than his tried to take Kabul, they should fight against them. As he has no senior commanders in the Kabul region and none capable of such a complicated task, his remarks were seen designed deliberately to incite more rivalry and hostility of which there was anyway no shortage.

Thatcher urges Arens to take flexible line

By Victor Mallet, Middle East Correspondent

MRS Margaret Thatcher, the British Prime Minister, yesterday urged Mr Moshe Arens, the Israeli Foreign Minister, to take a flexible line in the Middle East peace process following recent concessions by the Palestine Liberation Organisation, but she maintained his hardline stance and insisted that the PLO was a terrorist group. "Mr Arens had talks with Mrs Thatcher for more than an hour before going on to meet the Foreign Secretary, Sir Geoffrey Howe, who is expected to visit Israel towards the end of May. 'I found a friend at Downing St,' Mr Arens said afterwards. 'I think it's possible that the Prime Minister may be in a position to assist in advancing the peace process,' he said. 'Mrs Thatcher, fully aware of the complexity of the situation, did not try to urge anything specific on me... we didn't discuss any concrete measures.' Mrs Arens expressed dismay at the 'long line of personnel wanting to pay homage to Yasser Arafat', the PLO leader, after his renunciation of terrorism and acceptance of Israel's right to exist. He was confident, however, that Britain was not about to upgrade its links with the PLO from the status of 'observer' to 'observer-in-parade' in Parliament on Tuesday. Mrs Thatcher said she believed the chances of resolving the Middle East conflict were now better than they had been for years. Yesterday she renewed an invitation to Mr Yitzhak Shamir, the Israeli Prime Minister, to visit London. "Christians fight for Beirut supremacy" Lebanese Christian spiritual and political leaders were struggling last night to contain the worst flare-up of violence so far between the powerful Christian militia and Christian-led units of the Lebanese Army. Jim Muir reports from Nicosia. At least 30 people were reported killed as fighting raged throughout the day all around Christian East Beirut and in coastal and hill areas to the north and east of the city. Several residential suburbs were caught in barrages of artillery and tank fire as soldiers and militiamen battled for supremacy. One shell which landed in the suburb of Ain al-Rummaneh is reported to have killed five civilians. Shortly before last night all agreement was announced on comprehensive ceasefire following intensive contacts by the Maronite patriarch, Archbishop Nasrullah Sfeir. Earlier, the Lebanese Forces militia had issued an angry statement accusing the Army Command of launching a series of attacks on militia positions in Beirut, with the aim of isolating the militia's forces in the capital.

Why The Satanic Verses outrages Moslems

By Edward Mortimer

MR SALMAN RUSHDIE may not have expected to be sentenced to death by Ayatollah Khomeini, but he must have known when he wrote The Satanic Verses, that many Moslems would be unable to take the novel in the playful, sardonic spirit in which it was apparently meant. The very title of the book alludes to a Moslem tradition according to which the Prophet, misled by Satan, at one moment allowed himself to recite the text of the Koran in such a way as to give some legitimacy to the pre-Islamic deities of Mecca. Thus the book deals with the central belief of Islam, which is that the Koran is literally the Word of God, not written by the Prophet (who by tradition was illiterate) but transmitted to him by the Archangel Gabriel - Jibril in Arabic, or "Gibrael". The book is not a head-on challenge to that belief, but it treats it as appropriate matter for a fantasy, in which the names and lives of the Prophet and his Companions are woven into a whimsical 20th-century satire. The comparison with The Last Temptation of Christ is not quite exact, for the fantasy in Kazantzakis's novel (some what metaphorically rendered in Mr Martin Scorsese's film) concerns much more explicitly the actual person of Christ in his contemporary historical setting. In one sense Kazantzakis is more respectful of Christianity than Mr Rushdie is of Islam, for his book is painstakingly, even laboriously, high-minded. Mr Rushdie's book may be more "sacred" in the sense of being better literature, but he also allows himself more fun, and his attitude to Islam itself is much more ambivalent. But by the same token he addresses himself much less directly to Islam as such. It might be said, therefore, that the problem Moslems have with his book is one of their own making, if they insist on seeing their own beliefs in a work which could be taken otherwise. Yet by naming the book and the characters as he did Mr Rushdie clearly courted such a reaction. He must have known, too, that many Moslems are very sensitive about attacks on their religion, in the world at large, and in Britain in particular, and they tend to see themselves as a beleaguered community, struggling against the contempt and hatred of a Western world which in the 19th and 20th centuries subjected the world of Islam to its military and political domination. A very negative image of Islam is constantly reproduced in the Western media, and Mr Rushdie's book has been taken - wrongly no doubt - as an extreme example of this Western vilification, all the more intolerable for being the work of a man himself educated as a Moslem. In most schools of Islamic law, apostasy itself is considered a capital offence. Does that mean that Ayatollah Khomeini is qualified to pass a death sentence, in Islamic terms? Most Moslem authorities would say not, since the Ayatollah belongs to the minority Shia community, and his authority in matters of law is not automatically accepted even by all members of that community. But in the eyes of his own followers Khomeini has assumed a kind of leadership, the Imamate, which is both religious and political, and which should be valid for the worldwide Moslem umma, not just for one nation or territory. Also, even if not bound to follow Khomeini's orders, other Moslems, especially Islamic scholars, may feel entitled to occur in his opinion. One of the great problems posed by Islam, especially in its relations with the non-Moslem world, is the lack of a central authority. This is not so much a problem in Islamic states, where religious and secular authority are usually merged. But it is a problem for Moslems living outside the "house of Islam", or under a state whose religious legitimacy they have no direct connection with. Mr Rushdie's book is a challenge to that authority, and it is in the end, from their own judgment.

So while it must be hoped that the vast majority of Moslems would respect the Ayatollah's call for a boycott, Mr Rushdie's book is likely to be a small publicity win for anti-Islam, or even obliged, to follow it.

Body found of alleged victim of Mandela bodyguard

By Jim Jones in Johannesburg

SOUTH AFRICAN police have identified the body of "Stompe" Mooketsi, the 14-year-old black activist allegedly abducted from the Soweto home of a Methodist minister by members of the so-called Mandela United Football Club on December 25. The decomposing body was found on January 6 and has been lying, unbeknown to the police, in a Soweto mortuary. The police say they have begun a murder investigation after finding stab wounds in Mooketsi's neck. The football club, a controversial group of vigilantes who act as Mrs Mandela's bodyguard, abducted Mooketsi and three others claiming it was to protect them from sexual harassment by the Rev Paul Verryn, the minister. They were allegedly taken to Mrs Mandela's Soweto house after being abducted and three were freed on January 18 in response to community demands. They later claimed they had been assaulted while they were being held, adding that Mooketsi had been taken away by football club members on January 1 and had not been seen since.

In another development the police reported the discovery in Soweto on Monday of the body of Mr Maxwell Madondo, allegedly one of the abductees, who had apparently been stabbed to death. The football club's vigilante activities have outraged Soweto's black community and are reported by local newspapers to have estranged Mrs Mandela from her imprisoned husband, Mr Nelson Mandela. Yesterday Mrs Mandela suddenly cancelled a previously arranged press conference and flew to Paris to see her husband. On her return to Johannesburg she refused to answer questions about the meeting or about the discovery of the body.

Several residential suburbs were caught in barrages of artillery and tank fire as soldiers and militiamen battled for supremacy. One shell which landed in the suburb of Ain al-Rummaneh is reported to have killed five civilians. Shortly before last night all agreement was announced on comprehensive ceasefire following intensive contacts by the Maronite patriarch, Archbishop Nasrullah Sfeir. Earlier, the Lebanese Forces militia had issued an angry statement accusing the Army Command of launching a series of attacks on militia positions in Beirut, with the aim of isolating the militia's forces in the capital.

Sri Lanka poll violence leaves 38 dead

AT LEAST 38 people were killed in poll-related violence yesterday as thousands of Sri Lankans defied left-wing rebel death threats to vote in the nation's first parliamentary election in 12 years, officials said. Among the others killed were six soldiers and policemen, three election officials, the son of a former cabinet minister, supporters of various political parties and six rebels. Shops closed in many towns for fear of attacks from guerrilla forces. Commissioner Mr Chandrananda de Silva said polling in nine centres had either not started on time or could not be completed on schedule. "Sometimes the poll in respect of these polling stations may have to be annulled after we obtain detailed results," Mr De Silva said on state television without elaboration. Police said that some ballot boxes had been either stolen or were missing in these centres. The Liberation Tigers of Tamil Eelam, one of the groups for an independent Tamil homeland, said in a statement: "The families, guards and voters conducted with the help of the Indian occupation army is nothing but a farce."

Lebanese hijack trial

A LEBANESE hijacker should be treated as an adolescent by the West German court trying him, although his real age is uncertain, the court heard on Wednesday. Reuter reports from Frankfurt. Mr Mohammed Ali Hammadi admits he hijacked a US jet in Beirut in June 1985 but says he was under 21 at the time. However, the birthdate he gave for identity documents while living in West Germany from 1982 to 1984 showed he would have been 22 years old. Court youth experts said Mr Hammadi had been deprived of a normal childhood by the Lebanese civil war and early exposure to Shi'ite Moslem religious and political teachings. "Taking these circumstances into account we are very doubtful that Mr Hammadi has the maturity to be expected from someone his age at the time of the event," youth specialist Mr Frank Stemmler said. If the court decides that Mr Hammadi was under 21 years of age in June 1985 and convicted him of murder, it can opt for a sentence of up to 15 years, rather than the life term compulsory for offenders of 21 or over. Mr Hammadi was arrested in Frankfurt in July 1987.

Gaddafi reluctance delays summit

The reluctance of Col Muammar Gaddafi, the Libyan leader, to travel to Morocco and shake the hand of King Hassan delayed for 24 hours the opening of the second Maghreb summit in the southern Moroccan town of Marrakech, Francis Gidley reports from Marrakech. The summit, which opens this morning, brings together the heads of state of Algeria, Libya, Mauritania, Morocco and Tunisia, hopes to build on the success of the first one held in Algiers last May, and forge closer links between the five North African countries. The leaders of the five participating countries planned first to meet informally last night to prepare for the formal summit which opens this morning. Moroccan foreign ministry spokesman Abdel Kader el-Jai said.

Pol Pot casts shadow over Kampuchea's scramble for peace

A Sino-Soviet accord on Indo-China has unlocked hopes for progress at talks in Jakarta, writes Robin Pauley

WITH THE Soviet troops out of Afghanistan, Kampuchea has now moved up the list of long-running conflicts which the superpowers want resolved quickly. All parties to the Kampuchean dispute start arriving in Jakarta today for a second round of informal talks which will begin in earnest on Sunday. Prince Norodom Sihanouk, who resumed the leadership of the coalition of three Kampuchean resistance parties last weekend, thinks the talks will fail. However, nearly everybody else including China and the Soviet Union thinks they might well come to some agreement.



Prince Norodom Sihanouk: pessimistic about talks

There has been frantic diplomatic activity in recent months in which numerous treaties have been turned into friendship. Peace is breaking out all over Indo-China. In addition time is running out for the Kampucheans to agree on how to govern themselves. Vietnam, under pressure from the Soviet Union, has indicated that its occupation force will be out of Kampuchea by September. More than half the 100,000 troops are reported to have left already. The first round of talks at the end of July, dubbed the "Jakarta Cocktail Party", ended in disagreement

Government, by Vietnam, Laos and by the six nations of the Association of South East Asian Nations (Indonesia, Malaysia, the Philippines, Brunei, Singapore and Thailand). Much has happened since the Cocktail Party. Crucially, the Soviet Union and China have reached a nine-point agreement on Kampuchea as part of the advance preparation for the Sino-Soviet Summit on May 15. Progress on Kampuchea was a key pre-condition for Chinese agreement to a summit. China has opposed the Vietnamese occupation and has supported the resistance including the Khmer Rouge. It was the atrocities under the Khmer Government led by Pol Pot from 1975 which led to the Vietnamese invasion on Christmas Day 1978 and the key obstacle to a political solution remains finding a way to keep Pol Pot out of power. The Sino-Soviet agreement contains the following crucial phrase: "... there should be no return to the policies and practices of the recent past," indicating that the Chinese have moved away from their undivided support of the Khmer Rouge. They also agreed that China would withdraw military aid to the resistance and Vietnam would withdraw

military aid to Hun Sen's government "parallel with" the withdrawal of Vietnamese troops. China and the Soviet Union have also agreed that there should be some international supervision of Vietnam's withdrawal with the United Nations playing an appropriate role. This is deliberately vague, avoiding the dispute over whether the UN should provide a "supervisory force" which China and the resistance want and which the Soviet Union and Hun Sen have always rejected. This is sure to be a hotly disputed topic at the weekend. In Peking last week the often divided Kampuchean resistance groups came up with their own five-point peace plan, under the watchful eye of the Chinese. Its wording will not be accepted at Jim-II because it does not exclude a possible role for Pol Pot. But it is close enough to the Sino-Soviet agreement on other points to encourage hope of progress this weekend. It proposes a ceasefire followed by full Vietnamese withdrawal within two months, the resistance armies and the Hun Sen army to be reduced to 10,000 men in each faction within the two month period, formation of a provisional coalition government before free elections, a UN peace-

keeping force and a UN "international control mechanism" with a staff of at least 2,000. Since the Cocktail Party China has made a big concession by entering direct talks with Vietnam for the first time since 1979. Dinh Ho Lien, the Vietnamese vice-foreign minister, spent a week in Peking in January, the first such talks since Leon negotiated a ceasefire in the Sino-Vietnamese border war in 1979. The talks by the two countries which fought each other as recently as 1987 over the disputed Spratly Islands in the South China Sea, resulted in the agreement for mutual and parallel phasing out of aid to their clients in Kampuchea. Thailand has been the quietly skilled peace-maker responsible for many of the breakthroughs since the end of the Cocktail Party. Thai ministers and diplomats' efforts bore fruit at the end of January when the three resistance movements announced in Bangkok they would all attend this weekend's talks following talks with Mr Chhatichai Chomabhan, the Thai Prime Minister. Mr Son Sont, the former Kampuchean Prime Minister, flanked by the smiling figures of Prince Norodom Ranariddh, son of Prince Sihanouk, and Khieu Samphan, who is formally the leader of the Khmer Rouge, said: "From the day we can see light at the end of the tunnel."

Call for global push against apartheid

Nigeria and Australia have called for an unrelenting international campaign against South Africa's apartheid system, the News Agency of Nigeria (NAN) said yesterday. Reuter reports from Lagos. It said President Ibrahim Babangida told visiting Australian Foreign and Trade Minister Gareth Evans that world pressure on South Africa should continue despite a recent change of leadership in Pretoria. President Babangida said South Africa's new leader, Mr F.W. de Klerk, had made clear his intention to pursue the doctrine of apartheid. Mr Evans, who arrived in Nigeria on Tuesday on a three-day visit, later told Nigerian External Affairs Minister Ike Nwankwara their two countries should work together to intensify the campaign against apartheid. South Africa, state radio said.



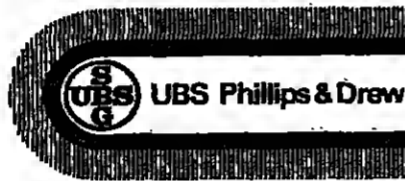
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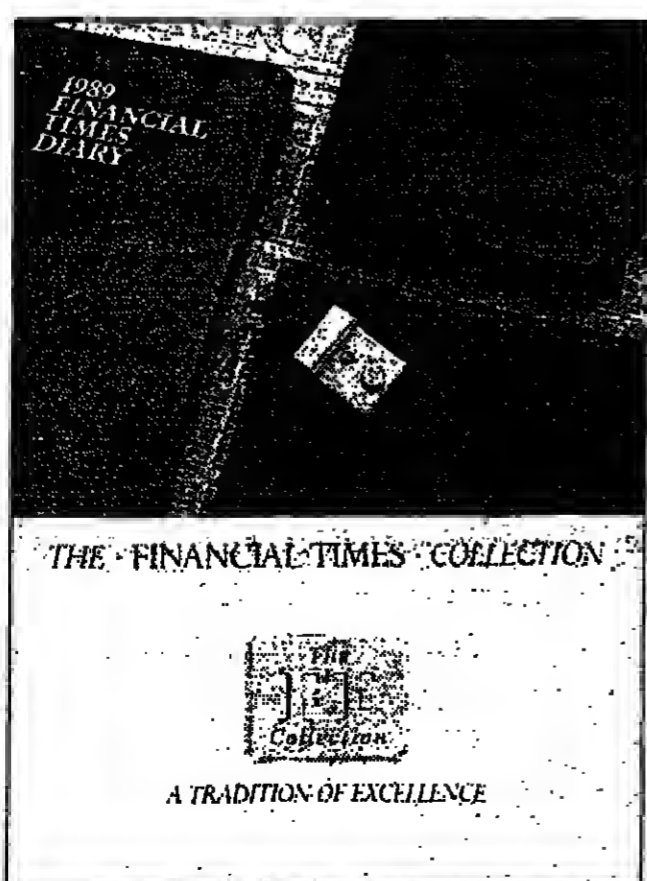
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WORLD TRADE NEWS

Latin America unhappy over farm trade reform

By William Dufforce in Geneva

AN EASING in the US position improved the atmosphere in discussions on the reform of world farm trade here this week. However, in his opening address to the Latin American countries which have brought the multilateral trade liberalisation talks to a halt, until the deadlock between the US and the European Community over agriculture is broken.

Negotiators' attention is now firmly fixed on the visit to Washington tomorrow and Saturday of two EC Commissioners, Mr Frans Andriessen (External Affairs) and Mr Raymond McSharry (Agriculture), for talks with Mrs Carla Hills, the US Trade Representative, and Mr Clayton Yeutter, the Agriculture Secretary. The farm trade negotiators met here for two-and-a-half days in the first formal consultations since the breakdown over agriculture at the trade ministers' meeting in Montreal in December.

The consultations were led by Mr Arthur Dunkel, Director-General of the General Agreement on Tariffs and Trade (GATT), who has been given until April to mediate in the dispute, in which the EC has rejected the US demand for a long-term commitment to eliminate all trade-distorting government supports to farmers.

In the weeks of this week's talks, the US had dropped its refusal to discuss short-term or partial reductions in payments until the EC had made the long-term commitment. Mr Peter Falk, the Australian Deputy Secretary for Foreign Trade, said that the US had shown a lot of flexibility when discussing a freeze in supports and short-term cut-backs.

However, the US, which still emphasises that it will implement no short-term measures until the long-term issue is settled, tabled no firm proposals. Mr Leopoldo Retamanti, Argentina's chief delegate, said a real effort had been made to consider short-term action and he felt slightly more optimistic. But he stressed nothing had happened to meet the demands of the farm-exporting nations such as Argentina for a firm undertaking to negotiate farm trade reform.

"Something concrete and serious still has to be agreed before April," Mr Retamanti said.

Mr Peter Falk, the Australian Deputy Secretary for Foreign Trade, said that the US had shown a lot of flexibility when discussing a freeze in supports and short-term cut-backs. However, the US, which still emphasises that it will implement no short-term measures until the long-term issue is settled, tabled no firm proposals.

Washington likely to become more amenable over hormones

By Nancy Dunne in Washington

THE FIRST meeting of the key US and EC officials involved in agriculture trade - after the top-level changes in both bodies - is likely to find the US side more amenable on meat hormones.

It seems that resolution is possible, partly as a result of the job-shuffling which also made Mr James Baker Secretary of State, and partly because of the production of a new player, Mr Jim Hightower, the Texas agriculture commissioner, who has been calling on the new administration to "stop quibbling over scientific data, stop playing politics and start making deals".

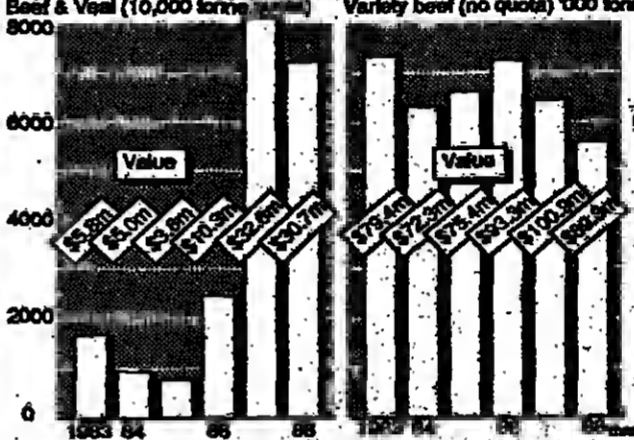
President Bush hinted at the changing attitude last week when he called on the industrial democracies "to rise above fighting over beef hormones to building a better future".

At his Senate confirmation hearing, Mr Clayton Yeutter, the new Agriculture Secretary, said Mr Hightower's comments had been "singularly unhelpful".

Undeterred, Mr Hightower called in the EC delegation in Washington to help set up an inspection system and draw up import standards acceptable for the sale of Texas beef to the Community.

He said the EC's technical requirements could easily be met with a proposal similar to beef trade agreements worked out with Argentina, Brazil, Australia, New Zealand and other major US competitors.

US Beef exports to EC



Source: US Agriculture Department

He called on the EC to raise its US quota from 10,000 tonnes of high-quality "primal cuts" to 20,000 to make up for lost sales of variety meats - a proposal the EC had tendered in negotiations last November.

At some point, the word came down that minor irritants in the US-EC relations must be settled. Someone apparently agrees with Mr Hightower that "more is at stake here than steak".

Indonesian pharmaceuticals braced for corporate cure

John Murray Brown on controversial drugs moves

FIVE YEARS after the introduction of a controversial drugs bill, Indonesia's ailing pharmaceuticals industry is bracing itself as President Suharto's government prepares to unveil its latest corporate cure.

No less than four official reports have now been commissioned into patent legislation, generic prescribing and pricing policy at a time when the commercial interests of the foreign multinationals seem increasingly at odds with the health needs of the rural poor in this country of 175m.

The symptoms are all too obvious. Despite impressive advances in health care, Indonesia has a higher infant mortality rate than India, one of the world's worst water sanitation problems, and a pharmaceuticals consumption smaller than any of its South-East Asian neighbours.

While research efforts in the West concentrate on chronic conditions such as heart disease and cancer, drug companies in Indonesia are grappling with acute solutions, with simple antibiotics accounting for 30 per cent of sales, which compares with 10 per cent in the US.

The multinationals say the price cuts now urged by the government will do little to help the mass of the population, 90 per cent of whom never touch Western drugs, relying instead on traditional remedies. They are at pains to point out today's drug prices underwrite the research and development costs of tomorrow's cures.

EC commissioners in bid to end Atlantic food trade deadlock

By David Buchanan in Brussels

A FURTHER bid to resolve the transatlantic food trade war is expected this weekend when Mr Frans Andriessen and Mr Ray McSharry, the two European Commissioners responsible for external affairs and agriculture visit Washington.

Immediately on his return to Brussels, Mr Andriessen will report to EC foreign ministers on Monday of his efforts to bring the deadlock to a head over Europe's ban on US hormone-treated meat imports and US retaliation on EC food standards.

The EC external affairs Commissioner "will not be going to negotiate, but he will at least try to find out what can be done to avoid further escalation," a spokesman for Mr Andriessen said yesterday.

EC governments already have before them a Commission-drafted proposal for counter-retaliation against US dried fruit and nut exports to Europe, but last month they decided to postpone action pending further diplomatic moves.

Since then, however, the US has blocked creation of a GATT special panel to rule on the EC threat that US retaliation violates GATT rules.

Mr Andriessen will be meeting for the first time Mrs Carla Hills, the new US Trade Representative, and together with Mr McSharry and US agricultural officials they are expected to review the current US-EC dispute in the GATT multilateral trade talks over phasing out farm trade subsidies.

Lockheed heads consortium for Istanbul trade centre

By Jim Hodgson in Ankara

THE TURKISH government yesterday signed a memorandum of understanding granting Lockheed extensive negotiations to a consortium led by Lockheed Air Terminal of the US for the development of a new terminal at Istanbul's Ataturk international airport.

The first stage of the "build-operate-transfer" (BOT) project is estimated to be worth around \$700m (380m).

It will double the airport's international passenger capacity to 20 million and triple domestic capacity through the construction of the fifth terminal.

The consortium will operate the terminal following its opening in 1992 for 15 years to pay off construction financing from the proceeds and make its profit.

The project also aims to establish Istanbul as a world business centre through the construction in the trade centre of premier quality offices, shops and warehousing facilities, offshore banking, a free trade zone, a convention and exhibition centre, and a five-star hotel.

The consortium's other members are Fluor Daniel for construction management, James T Lewis Enterprises, developer of the Port America centre in Washington, local contractors Eska, Kolutas and Alarkin, and the Hilton International group. The consortium's financial advisers are Standard Chartered Bank and Chase Manhattan Bank.

UK tourist bookings for Turkey down this season

By Jim Hodgson

UK tourist bookings for Turkey are down drastically this season, compared with the doubling of UK visitors to around 500,000 last year, the country's Tourism and Culture Ministry said yesterday.

Higher mortgage rates in the UK have undercut UK holiday spending power. But booming Turkish tourism also received a consistently bad image in the UK media last year, with reports of heavy development.

UK tourists generally pick cheaper, pension-type accommodation, while the staple of Turkey's tourist industry - West German, Austrian and Swiss visitors - choose more up-market hotels and holiday villages. The upward trend in the latter's bookings has continued by around 30 per cent on last year.

Although there had been no cancellations of confirmed bookings so far, UK demand was down by 20-50 per cent for the resorts of Bodrum, Kusadasi, Marmaris, Kemer and Didim, Mr Turgtun Unal, the ministry's Tourism director-general, said.

All enquiries should be addressed to the Financial Times Conference Organisation, 125 Jermyn Street, London SW1Y 4JL. Tel: 01-625 2323 (24-hour answering service) Telex: 27347 FT CONF G Fax: 01-625 2125

FINANCIAL TIMES CONFERENCES

- RETAILING IN THE 90s - THE ROLE OF TECHNOLOGY**
London, 20 & 21 March 1989
The FT's latest conference on retailing will review the changing market conditions and the growing importance of new powerful technologies and innovation for retailers. The conference will be chaired by James Gulliver of Lowndes Queensway and Richard Weir of the Retail Consortium. Speakers include Sophie Mirman, Sock Shop International; John Thompson, Index Group; John Berry, The Boots Company; Felix Barber, The Boston Consulting Group; Jeremy Soper, W H Smith; Gareth Williams, Marks and Spencer; and Robert Brantley, Allied Breweries.
- THE LONDON MOTOR CONFERENCE**
London, 6 March 1989
The 1989 London Motor Conference will focus on manufacturing, components and the aftermarket. Noel Goutard, Chairman of VALEO will discuss the Europeanisation of components. The manufacturing of vehicle parts and accessories and how to operate successfully in the aftermarket will be amongst the themes to be discussed. Speakers will include: John G White, Group Managing Director, BSA Group Plc; Roger H Storey, Chairman, Quinton Hazell Plc; Tim Worrall, Managing Director, Quicks Group Plc; Ronald H Lamb, Group Managing Director, Scaglas Ltd; John Wormald, Principal, Ecos Allen & Hamilton; Gopal Ahya, SMMT Professor of Motor Industry Economics, Cardiff Business School. The conference will be chaired by John Lawson, Executive Director & Automotive Analyst, Nomura Research Institute Europe Limited.
- WORLD GOLD**
Lugano, 26 & 27 June 1989
This conference is one of the most popular annual FT events and is well attended whether gold is in a bull market or not. It offers a unique opportunity for mining companies, financial institutions, industrial users, jewellers, finance ministry officials and central bankers to meet together for a comprehensive two day discussion of the industry. The conference returns to Lugano this year and the speakers include: Robert Guy, N M Rothschild & Sons; John Forsyth, Morgan Grenfell & Co; Brian Marber, Brian Marber & Co; George Milling-Stanley, Consolidated Gold Fields; Donna Pope, United States Mint; Bryan Parker, World Gold Council; David Williamson, Shearson Lehman Hutton; Urs Seltzer, Union Bank of Switzerland; Dennis Suckling, J Aron & Co/Goldman, Sachs & Co; James Cross, South African Reserve Bank; Issuo J Toshima, World Gold Council; John Hanemann, New York Commodity Exchange; Alfred Schaefer, Swiss Bank Corporation; Keith Smith, Mocoita & Goldmid Ltd and Timothy Green, Consultant to Consolidated Gold Fields.

UK NEWS

Baker proposes scheme to embrace all those leaving school 'Radical' training reform planned

By David Thomas

A TRANSFORMATION of education and training provision for young people leaving school at 16 was proposed yesterday by Mr Kenneth Baker, the Education Secretary, in what he described as "the most radical set of proposals for the reform of further education for many years."

Employers will be asked to allow all workers under 19 to have further education and training, every school leaver will be given an individual education and training plan, the entire system of education and training is to be brought into a single framework and the principles underlying the new national curriculum will be extended to pupils over 16, under Mr Baker's.

Stressing that no firm decisions had been made, Mr Baker said he was keen to launch a debate about the education of 16 to 19-year-olds who have left school, a group so far largely untouched by the Government's educational reforms.

Britain's failure to persuade enough people to pursue education and training beyond 16

has long been recognised as a weakness which is expected to have serious economic consequences when the number of young people declines sharply in the early 1990s.

The Confederation of British Industry, the employers' organisation, has already discussed many of the ideas with Mr Baker and immediately welcomed his initiative.

The Trades Union Congress, the union federation, welcoming the objectives outlined by Mr Baker, offered to co-operate with the Government and employers in seeing how they could be achieved.

Mr Baker unfolded the package, which he called "as important as any of the educational reforms we are already engaged upon," in a warmly received address in London to the Association of Colleges for Further and Higher Education.

The 400 further education colleges in England and Wales, which already spend over £1bn educating 1.5m people a year, would be the main agents for carrying out the proposals.

Deploing the fact that only

two-thirds of 16 to 19-year-olds get even part-time education or training off-the-job in Britain, Mr Baker said: "Perhaps the time has come at last when we ought to take steps to ensure that at least everyone up to age 19 is receiving some systematic education or training."

Mr Baker proposed a range of initiatives to improve post-16 provision including:

- Agreeing targets with employers and others for a major improvement in the participation rate of 16 to 19-year-olds in full and part-time education, and of adult workers in off-the-job training.

- Developing training and education objectives, along the lines of those in the national curriculum, for 16 to 19-year-olds. These would cover core skills, such as communications, numeracy and familiarity with technology and workplace issues.

- Breaking down the division between academic qualifications and vocational ones by devising common components covering studies such as information technology and lan-

guages.

- Giving every school leaver an individual action plan for further education and training which employers would help to fulfil.

Mr Baker argued that business should help fund the proposals by sponsoring more students on training courses and should increase differentials for qualified young workers. He also hinted strongly that he would press for more public funds if his ideas were received positively.

The Education Secretary would not be drawn on when the proposals would be introduced, but said he did not foresee the need for legislation at this stage.

He also proposed a nationally backed initiative to help further education colleges lose their dowdy image in order to become more attractive to students.

Employers angry over new tax on businesses

By Paul Cheeseright

THE GOVERNMENT yesterday sparked off a chorus of protest from British business when it introduced the arrangements for phasing in a uniform business rate from April 1990.

Changes in this tax on business premises will fall most heavily in the South and will generally mean higher accommodation costs for office users and the retail sector. There could be rate reductions worth £65m in the North and Midlands over five years.

The Government will set the new rate next autumn at a level which will provide as much revenue as that coming from commercial rates in 1989-90. Expected revenue in 1988-89 is £8.8bn.

This provoked the Confederation of British Industry (CBI), the employers' federation, to dismiss the whole arrangement as not good enough. Obtaining revenue at 1989-90 levels "will build in, for all time, the extra £400m in unwarranted rate increases in prospect for business this year," it said.

Although the CBI charged the Government with scoring "another inflationary own goal," Mr Nicholas Ridley, the Environment Secretary, said "there were no macroeconomic results" in the new arrangements.

Mr Ridley told the House of Commons that, to give businesses time to adjust to new rate bills, annual increases would be held to a maximum of 20 per cent compounded in real terms for at least five years.

For small properties - where the rateable value is £7,500 in London and £5,000 elsewhere - the increase will be held to 15 per cent annually.

Reductions in rates bills will also be phased in - 15 per cent a year for small properties and 10 per cent for large, Mr Ridley said.

The uniform business rate will be based on the results of a revaluation of business premises with effect from April 1988.

The Government proposals have been set out in a consultation paper

Political gatecrashers are life and soul of the party

Charles Hodgson finds method in the madness of a 25-year campaign to poke fun at UK politics

Whichever candidate wins next week's by-election in Sir Leon Brittan's old Yorkshire constituency of Richmond, he or she will doubtless have to share that moment of glory with a familiar figure in gold-lamé top hat and leopardskin tails.



"Screaming Lord" Sutch, who assumed the title by deed poll, spreads a raving party message in his bid for political office.

For David "Screaming Lord" Sutch, undisputed leader of the Official Monster Raving Loony Party, has a habit of positioning himself firmly within grinning range of the nearest television camera as the ritual victory speech is delivered.

Love him or hate him, Sutch, whose 25 years at the bottom of British politics, allow him to lay claim to the title of the country's longest-serving party leader, has brought all the fun of the circus to some 24 by-election nights.

Despite recent attempts to enforce the dignity of the electoral process by raising the candidate's deposit last year from £150 to £500, the "party to make you smile" has no intention of bowing out.

Loony election tallies read like vintage Ian Botham batting scores, which is quite apt considering the cricketer is an honorary member, along with another great English sporting hero, Eddie Edwards, the lead-en-booted ski-jumper. But then so too is pop-singer Michael Jackson's pet monkey, Bubbles, who presumably excels in neither summer nor winter sports.

All you need to be a Loony is an eye for self-publicity and £500.

The record number of votes won by a party member was racked up by Mr Stewart Hughes in Honiton, Devon, at the last election. "Stewart campaigned with an elephant's trunk on his head and he got 747 - Jumbo vote," quips Alan Hope, party chairman.

Devon is evidently a Loony stronghold. Mr Hope holds the distinction of being the only Loony councillor, on Ashburton town council. He was elected unopposed, but then as one Conservative MP pointed out: "Don't knock it. That's the way the Tories ran local government for years."

Most of the support comes from "war babies", Mr Hope says, and from pensioners who have "seen it all and don't believe any of it." The party claims 7,013 members and holds an annual weekend conference at Mr Hope's Golden Lion Hotel in Ashburton. Last year's attendance was over 600, says Hope, not far short of Dr David Owen's Social Democrat revivalist meeting at nearby Torquay.

"The others hold party conferences, we a hold a conference party," the chairman says. Policy is not often debated, which is probably a good thing, considering the type of policies they espouse.

Take defence, for example. "Our policy on defence is that all defences should be created to stop the other parties sitting on dem," chortles Mr Hope. The economy? "Re-route the Channel Tunnel to the Channel Isles and then we could all be incorporated in a tax haven."

"The European Community? 'Turn the bitter mountains into ski-slopes and put fish in the wine lakes so they come out ready-pickled.' But behind the lunacy, Mr Hope and Lord Sutch claim there is a serious message. Lord Sutch first stood for parliament in 1964 in the Stratford-upon-Avon constituency vacated by the disgraced John Profumo. He did it, he says, "to prove that anyone, distanna, roadswep, whoever, could stand for Parliament."

His National Teenage Party campaigned on a platform of votes at 13, the abolition of the 11 plus to be replaced by continuous assessment and the spread of commercial radio - all ideas, as Lord Sutch delights in pointing out, that were dismissed as "loony" but have since come to pass.

In its manifesto for the 1983 general election, when the party put up its record 11 candidates, it advocated liberalisation of the licensing laws, also since enacted.

The party's antics have irritated many. Mr Simon Burns, Conservative MP for Chelmsford, was so outraged by Lord Sutch's behaviour at the recent Epping by-election that he wrote to Mr Douglas Hogg, the Home Office Minister, urging that action be taken to outlaw frivolous candidates.

One suggestion is the number of sponsors required by a candidate should be raised from 10 to 100. Loonies take a dim view. "We would complain to the Monopolies and Mergers Commission," says Mr Hope, "and then ask why there's only one Monopolies and Mergers Commission."

Sutch claims he will have sufficient financial backing to put up 50 candidates at the next election, justifying a party political broadcast.

It is tempting to believe that if a Loony ever did get elected, there are times when he would not feel too out of place in the House of Commons.

Health service to remain tax-funded, says Clarke

By Alan Pike

THE GOVERNMENT has "turned its back" on radical alternatives to a tax-funded National Health Service, Mr Kenneth Clarke, Health Secretary, told Members of Parliament yesterday.

Mr Clarke said this had been demonstrated in its Health Service policy document published last month.

He said it followed that continuing with tax funding meant the system would remain cash limited. But, he told the House of Commons' Social Services Committee, the changes proposed in the policy document would provide much clearer indications of where money was being spent efficiently.

Members of the committee pressed Mr Clarke with suggestions that the proposed reforms, by increasing patient choice and encouraging market activity in hospitals,

would push up costs.

Mr Nicholas Winterton, a Conservative member, said the committee's initial reaction to the policy document was that it would lead to "a huge increase in demand and hence costs."

He questioned how Mr Clarke's proposals had avoided the veto of the Chancellor of the Exchequer, unless his intention was to move away from tax funding and look for alternative resources.

Mr Clarke said there would always be demand for increased resources for health care, but in future there would be better information about the use of resources.

Parts of the service would find they were not going to do very well in the competitive internal market which the Government planned to create unless they raised their performance.

Two gas-fired power stations approved

By Steven Butler

APPROVAL for two gas-fired power stations was last night announced by Mr Peter Morrison, the Energy Minister, who said the future power stations would benefit the environment and add to the security of electricity generation.

The projects are for a new 365MW station at Peterborough, to be built by Hawker Siddeley, and for conversion of the oil-fired South Domes power station near Great Yarmouth.

The latter project is a collaboration between Ranger Oil and PowerGen, the smaller of the yet-to-be-privatised electricity companies.

It has further significance because it would use gas purchased directly from a Ranger Oil gas field in the North Sea. The field has yet to receive development approval from the Government, although that is expected.

This would be only the second electricity generation project using gas purchased direct from a North Sea field. The Peterborough station would run on gas supplied by British Gas, and talks are under way.

Both projects will use combined-cycle gas turbines, which are up to 50 per cent more efficient than generators using other fuels.

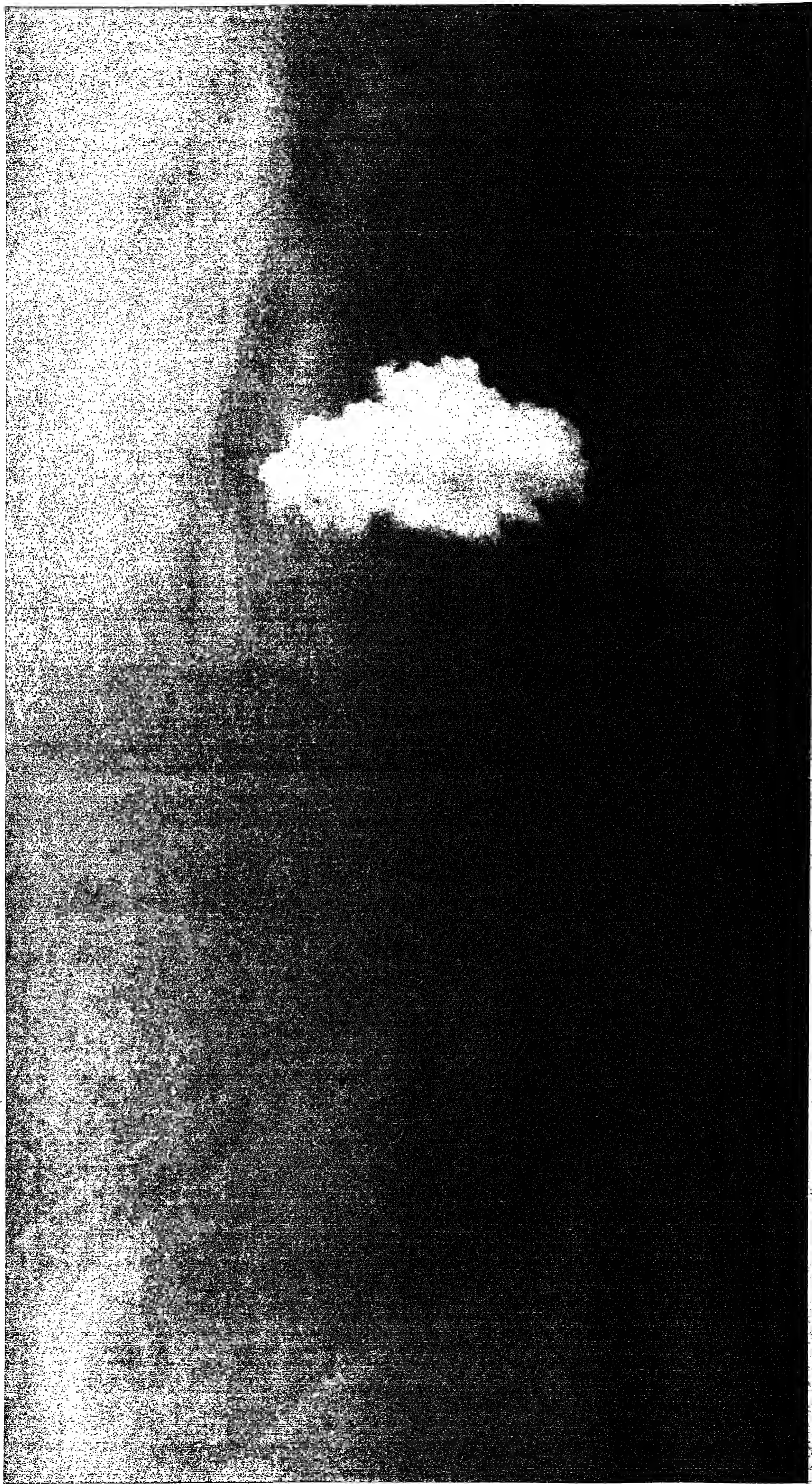
The gas burn complies with relevant EC directives limiting the use of natural gas for power generation.

Oil groups will welcome the expanded use of natural gas for power generation. They have recently been concentrating exploration efforts on the southern gas basin.

The Ranger Oil project further erodes British Gas's monopoly in the gas supply market.

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UK NEWS

Committee to address the market's transparency Stock exchange to report on trading rule changes

By Nick Bunker

A LONDON Stock Exchange subcommittee hopes to publish an interim report within three weeks proposing reforms of market trading rules. The changes could include a new system for classifying shares. The eight-person subcommittee, chaired by Mr Nigel Elwes, finance director of Warburg Securities, started work last November on the exchange's first full review of the workings of the market rules and systems which were implemented with the Big Bang deregulation of markets in October 1986. The group has been meeting each week and has produced an interim report last month with a goal of producing a final report by March 31. It has received submissions from a wide range of institutions within the securities industry and from investors including pension funds and insurers. Among the issues at stake

are worries that the transparency of the post-Big Bang system has made it harder for market-makers to take big positions in stocks without broadcasting the fact to other market-makers. Mr Elwes said it would be "wrong to prejudice" the outcome of the review. But he acknowledged that one issue being looked at was the idea of altering the system which divides shares listed on the exchange into alpha, beta, gamma and delta stocks according to the size of the company involved and the volume of trading. Re-classifying the big shares could improve the liquidity and transparency of the market by enabling the exchange to set more realistic minimum sizes for the bargains which market-makers quote on the screen-based trading system. At present, the minimum size they have to quote in for

the biggest alpha stocks, such as British Telecom or BAT Industries, is only 5,000 shares. Mr Elwes said: "At the moment we're taking a very broad-brush approach: you're an alpha, you're a beta, you're a gamma. There's a need to refine it." The subcommittee has also been examining overseas stock market practices, including those of the US NASDAQ system, to see if there is "anything that can be added" to improve the London system, Mr Elwes said. One possibility that has been looked at is returning to using the exchange's old trading floor as an arena for very large trades, but Mr Elwes said he "would be very surprised if we were to produce a report that recommended moving away from a screen-based system." The stock exchange saw such a system as vital to its international competitiveness, he said.

Plessey to appeal against GPT ruling

By Hugo Dixon

PLESSEY, the embattled UK electronics group, has decided to appeal against Tuesday's ruling in the High Court that it did not have the right to buy out General Electric Company's half share of their telecommunications joint venture, GPT. Plessey's decision was expected because of the central importance of GPT to the struggle between its two UK parents. If Plessey was able to wrest control of GPT from GEC, it would be in a much better position to resist a takeover from GEC and its ally, Siemens of West Germany. The legal wrangle centres on whether GEC broke the agreement setting up GPT by launching a joint bid for Plessey with Siemens. If it did, Plessey would have the right to buy out GEC's share of the venture at a favourable price. Plessey argued that GEC had obligations to Siemens which conflicted with undertakings given to Plessey over GPT. However, Mr Justice Morritt, the High Court judge, said that GEC's obligations did not exist until the bid became or could be declared unconditional. Since the bid had not become unconditional, Plessey was not entitled to exercise the option. Mr Justice Morritt added, however, that if he had not decided the matter on the basis of the conditional nature of the obligations, he would have found in Plessey's favour. These are the grounds on which Plessey is now appealing. It will argue that GEC's commitments to Siemens constituted a breach of the GPT agreement, even though the bid had not become unconditional.

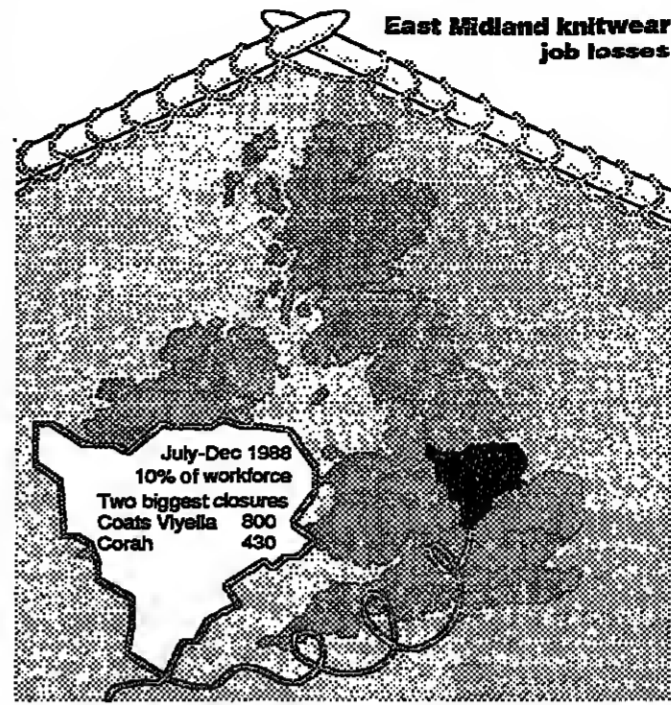
Wool companies itching for change

Knitwear groups hope for an autumn revival, says Alice Rawsthorn

THIS YEAR should be one of celebration for the knitwear companies in the East Midlands, as they mark the 400th anniversary of the invention of the knitting frame by the Rev William Lee in the tiny Nottinghamshire village of Calverton. Mr Lee's invention laid the foundations for the industry of today and turned the East Midlands into the centre of knitting production in the UK. Yet, instead of celebrating the 400th anniversary, the knitwear companies are bracing themselves for a second successive year of soaring imports and sluggish output.

Last year the industry was scarred by a succession of job losses and factory closures, as it struggled against the uncomfortable combination of an apparently inexorable increase in imports and dwindling demand. Most knitwear made in the UK comes from the factories in and around Leicester, Derby and Nottingham which employ about 35,000 people to make jumpers and cardigans for the high street retail chains. There is another knitwear industry in Scotland. But the Scots specialise in the luxurious cashmere and lambswool wools which are sold overseas. The mass market manufacturers of the East Midlands have not only borne the brunt of the increase in imports, but have been most exposed to the decline in domestic demand. Since spring last year, scarcely a week has passed without news of yet another round of redundancies in the East Midlands.

Coats Vytella closed its vast knitwear plant on Botany Avenue in Mansfield with the loss of 800 jobs. Corah, once one of the bastions of the knitwear industry, made 430 people redundant when it beat a retreat from the market. More than 5,000 jobs - about a tenth of the knitwear workforce - were lost in the last six months of 1988 alone. The high level of labour turnover in the industry means that many more knitwear workers will have left their jobs without being replaced. The factors which created so unfavourable an environment for the industry in 1988 still prevail this year. The continuing strength of sterling threatens to unleash another influx of imports. Demand is still depressed by the fashion for tailored clothing and the unusually mild winter weather. The market for women's knitwear is relatively resilient, but the men's and children's sectors are very dull. The cuts and closures contin-



into the autumn and winter, thereby reviving demand. If sterling is still strong, then importers will be the main beneficiaries of any improvement in demand. Nevertheless, there would be some alleviation of the pressure on the east Midlands industry, with the surviving manufacturers also deriving some benefit from the recent cuts in UK capacity. There are, however, longer-term issues facing the industry. One important matter is a shortage of labour in the East Midlands. In recent years the arrival of new employers in the region has intensified competition for labour. Even at a time of large-scale job losses, the knitwear companies find it difficult to recruit new employees. The pay and conditions in knitwear factories tend to be unattractive in comparison with other employers. Moreover, the industry's present difficulties have aggravated its image as a cyclical industry, prone to sudden slumps in activity.

There is also a risk that the uncertainty created by the current slump - combined with the recent rise in interest rates - could deter companies from investing in new technology. In recent years, the east Midlands manufacturers have achieved significant improvements in productivity through the installation of computer-controlled machinery. These improvements offer an opportunity for the industry to counter the cost advantage of its overseas competitors by becoming faster and more flexible. Their progress could be jeopardised by a hiatus in investment. All in all, Mr Lee's legacies are operating in an intensely competitive climate. As Mr Dyer puts it: "Everyone in the knitwear industry will have to work very hard just to stand still this year."

Energy production falls to lowest level in five years

By Simon Holberton, Economics Staff

THE OUTPUT of Britain's energy industries last year fell to its lowest level since 1984 under the combined effects of the Piper Alpha oil platform disaster in the North Sea and the mild winter, official figures released yesterday showed. The Central Statistical Office (CSO) said the level of production in the oil, gas, electricity and water industries, as measured by its energy production index, was 7.5 per cent lower in the last quarter of 1988 than in the corresponding quarter of 1987. A drop in oil and gas production was mostly responsible for the fall. Output of oil and gas was more than 15 per cent lower in the last three months of 1988 than in the final quarter of 1987. That reflects the destruction of the Piper Alpha oil production platform in July, but further falls in oil production are expected because of difficulties with the oil storage facilities for the Fulmar field in the North Sea. Production of electricity and gas was 2.5 per cent lower in the December quarter compared with the September period - reflecting lower energy consumption because of the mild winter - but 2 per cent above the level a year earlier. The decline in energy production resulted in the CSO's index of total production industries showing a gain of only 3/4 per cent in 1988. Officials said that if the figures were adjusted to take

account of Piper Alpha, then the index would have shown a gain of 4/4 per cent and a trend growth rate of about 5 per cent. The figure for the growth in total production industries masked one of the best years for growth in manufacturing output since the end of the Second World War. Production of manufactures grew by 7 per cent last year, after a rise of 5.5 per cent in 1987. Within industry, the fastest growing sectors were paper printing and publishing, electrical and instrument engineering, "other" manufacturing - which includes plastics, furniture and toys. Output in those industries in the December quarter compared with the same period in 1987 was 12.5 per cent, 11 per cent and 11 per cent higher respectively. Metals, building materials and mechanical engineering all showed strong gains in production during 1988, while the production of textiles, clothing and footwear contracted over the same period. The CSO's index of total production industries in December was 108.7 (1985=100) compared with 111.7 in November. The figure for 1988 as a whole was 108.8 compared with 106.8 in 1987. The CSO's index of manufacturing output in December was 116.6 (1985=100) compared with a revised 117.4 in November. For 1988, the index was 114.2 compared with 106.6.

London's hotels check in at top price

By David Churchill

LONDON'S luxury four-star hotels are the most expensive in the world for business travellers, according to a survey published yesterday. Employment Conditions Abroad, a trade association which offers information to companies employing people abroad, revealed yesterday that the average cost per night for a four-star hotel room in central London was £90. This represents a 10 per cent increase over the past year. Paris was the next most expensive city for four-star hotels at £89 a night, while Caracas in Venezuela was the cheapest at £16 a night. London, however, was only the sixth most expensive city in the world for business travellers according to the ECA survey. But this represents an increase of two places over the last year in the ECA league table, mainly because of the higher hotel costs. The total daily rate for a business executive staying in London was £151. Tokyo came out as the most expensive city for the business traveller at £193 a day in total, although a four-star hotel only cost an average of £79 a night. The cost of a meal in a top class restaurant in Tokyo, however, came out at £88 per head - compared with only £34 per head in London. The Scandinavian cities of Oslo, Copenhagen, and Stockholm were the next most expensive after Tokyo, although hotel rates were cheaper in those countries. Paris came fifth in the league table, ahead of London. Taxi fares varied considerably between cities in the survey. A 3 km journey in London cost £5.30, compared with £4.10 in Milan but only £1.90 in Madrid. ECA pointed out that exchange rate fluctuations and low inflation were mainly responsible for the drop in the league table of several European cities. Frankfurt, for example, fell from 11th to 21st place in the league table. The survey's findings were criticised yesterday by London tourist chiefs. Mr Tom Webb, managing director of the London Tourist Board, claimed that "overall, prices in London compare extremely favourably with other major international business destinations." He suggested that "London hotel prices may appear expensive because of the strong pound."

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THE 1989 Investor's Directory

THE BOYS FROM BENETTON

Italy's Benetton Group began as a trendy fashion house and is now branching out into financial services through affiliate IN Holding.

But the hard-sell corporate culture behind the family-controlled firm is still unchanged. Critics say its way of doing business is very "Italian". Benetton simply points to its hunky bottom line. And now it has its financial sights set way beyond Italy.

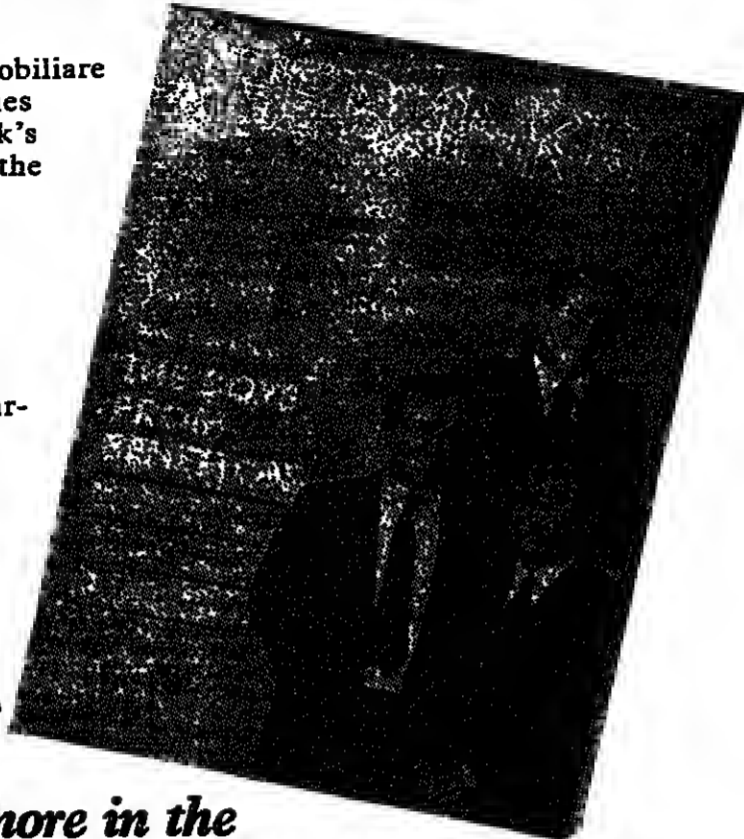
IN affiliate Euromobiliare has hit the headlines with Midland Bank's upped stake. Will the marriage work?

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UK NEWS

Lifting a cloud over power plants

Andrew Taylor examines Babcock's desulphurisation contract

THE AWARD this week by the Central Electricity Generating Board of the first contract in a £1.5bn programme to reduce sulphur dioxide emissions from British power station chimneys represents an important landmark in a long running campaign to persuade Britain's power stations to clean up their act.

It will also come as welcome relief to British power station equipment manufacturers which win a slice of the work. Orders for new British power stations have slowed dramatically since the late 1970s. Electricity privatisation plans have meant further delays in placing new orders, particularly for nuclear power stations.

Investment in flue gas desulphurisation is expensive. The order to reduce sulphur dioxide emissions from Drax power station near Selby in Yorkshire, north-east England, is worth about £300m to FKI Babcock which won the contract.

About 35,000 tonnes of steel will be needed for the work at Drax about a third of the steel used to build the power station, which is the largest to be coal-fired in western Europe.

Britain has lagged behind industrial rivals such as the US, Japan and West Germany in reducing air pollution from power stations. In the US, \$17bn was spent between 1975 and 1985 on reducing sulphur dioxide and nitrous oxide emissions from power stations. In West Germany, about 85 per cent of current coal-fired generating capacity has been fitted with flue gas desulphurisation.

All of the British companies bidding for the Drax contract had failed to learn lessons about factory production. "The Toyota production system had, on its own, virtually destroyed the British motor industry but you meet few British managers who have even heard of it," he said.

Mr Parnaby was speaking at the launch of a campaign by the institution to improve standards of manufacturing production and to highlight problems in the UK which hindered the spread of good factory practices.



Drax in Selby, Yorkshire, Europe's biggest coal-fired plant

planned to use US, Japanese or West German technology. Several had West German or Japanese partners.

FKI's sulphur dioxide removal process for example uses Japanese technology under licence from Babcock Hitachi, a Japanese company which shares the Babcock name but has no equity connection.

The British company, after the Drax award, appears to be in a strong position to win fur-

ther work which will come as a result of an agreement between European Community environment minister's last June to reduce sulphur dioxide emissions from power stations by 60 per cent by 2000.

FKI and John Brown, the runner up for the Drax contract, were asked separately by the CEGB at the end of last year if they would be prepared to provide the technology and act as managing contractors

for the desulphurisation programme. Both companies were asked to prepare financial appraisals on this basis.

The CEGB estimates that 15,000MW would need to be treated for Britain to satisfy the EC directive. Drax will account for only a third of this.

SKILL to be resolved is how future orders are likely to be split between Power Gen and National Power, the two main companies being established to run the electricity generating industry after privatisation. Power Gen for example will be responsible for Drax.

The CEGB has also not given up the idea of using a rival process for removing sulphur dioxide in competition with the FKI process which uses a limestone slurry to clean power station gases producing a high grade artificial gypsum as a by-product. The gypsum would be sold to make plasterboard or as an additive in cement.

The competing Wellman Lord process developed by Davy Corporation in Britain produces mainly sulphuric acid as a by-product.

This however could create problems of disposal as production of sulphur products is likely to be much higher than sales to industry could absorb.

Power stations at this stage seem more likely to adopt the limestone/gypsum route.

FKI's share price rose sharply following the announcement of the award of the Drax contract. Babcock Energy the subsidiary which will carry out the work now has an order book worth £700m including the Drax award and a recent £160m boiler contract in Iraq.

Executive criticises 'poor' UK production practices

By Nick Garnett

THE "rank and file" of British manufacturing companies had poorer standards of manufacturing, engineering and factory production systems than those generally found in the UK's main trading competitors, Mr John Parnaby, president of the Institution of Production Engineers warned yesterday.

In a severe criticism of general British factory practices, Mr Parnaby, group director for manufacturing technology at Lucas Industries, said large sectors of UK manufacturing

had failed to learn lessons about factory production.

"The Toyota production system had, on its own, virtually destroyed the British motor industry but you meet few British managers who have even heard of it," he said.

Mr Parnaby was speaking at the launch of a campaign by the institution to improve standards of manufacturing production and to highlight problems in the UK which hindered the spread of good factory practices.

The institution has begun discussions on a possible merger with the two institutions representing mechanical and electrical engineers as a way of simplifying the structure of 48 separate professional bodies for engineers.

Mr Parnaby said most British companies "have incremental reductions in their competitiveness but tend not to do anything about it. Use of team systems is still very rare in the UK."

engineering has been a well-chronicled difference between UK companies and those in Japan and West Germany. Mr Parnaby agreed companies in other countries, such as Italy and France also seemed to have made more headway in manufacturing engineering.

Mr Parnaby said some of the reasons for the deficiencies in UK factories were lack of leadership among senior managers and inhibiting factors of interest rates and the workings of the stockmarket.

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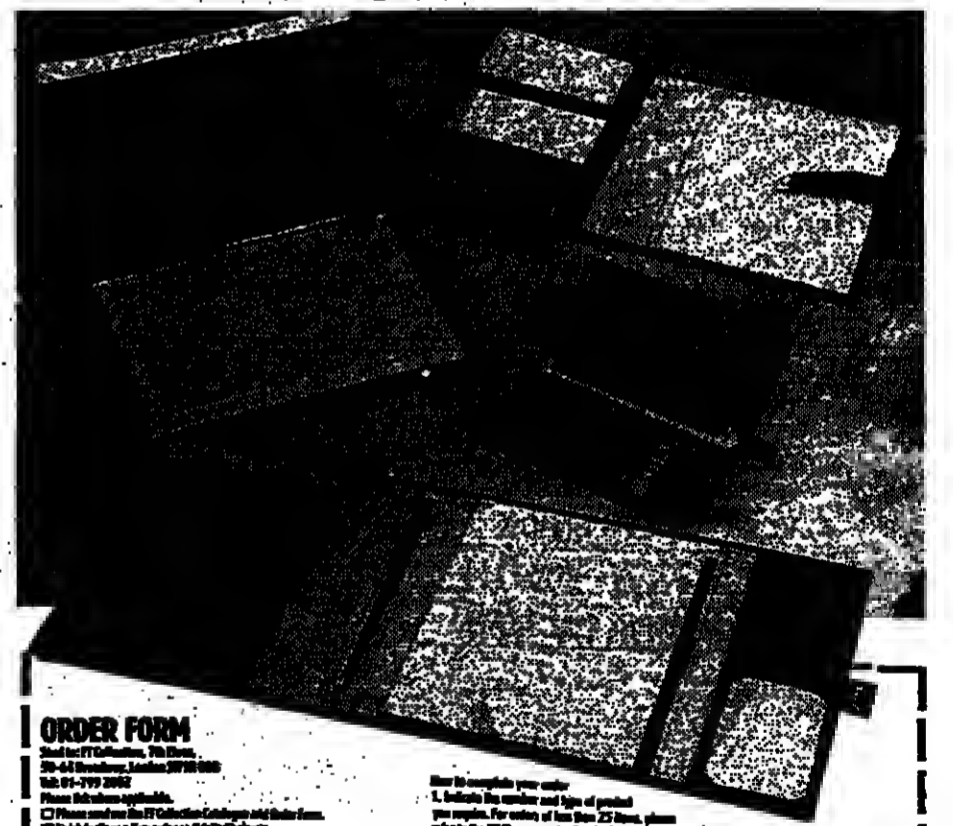
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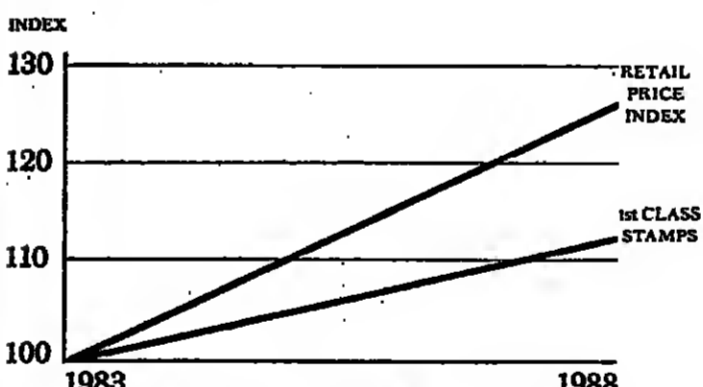
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MANAGEMENT: Marketing and Advertising

Water privatisation

Floating the Mersey's true reflection

Richard Evans on the image being sold by North West Water

A pocryphal stories abound in the water industry about double-decker buses falling into collapsed Victorian sewers. Irritatingly for the management of North West Water the accidents invariably seem to have happened in its area.

NWW has an image problem. Of the ten regional water authorities in England and Wales due to be privatised in November, it is the one that is said to have the biggest challenge to sell itself compared with Thames, Anglian, Southern Water and others operating in areas less affected by the inheritance of the Industrial Revolution.

NWW, created with the other authorities in the big reorganisation of 1974, serves 7m people and a lot of industry in an area extending from the Scottish to the Welsh borders and including some of the most glorious countryside in the UK - in the Lakes and Pennines. It also serves the conurbations of Manchester and Liverpool, the old cotton towns of Lancashire, and the Mersey Basin and it is in these areas that the problems lie. The authority has more than 40 per cent of the country's most polluted rivers and streams.

Its infrastructure is among the oldest in the industry because it was the first to meet the needs of the Industrial Revolution, and chronic under-investment in subsequent decades has meant that horrific pollution problems have built up.

When the flotation of the ten water authorities was first mooted four years ago, the assumption was that there would probably be willing investors for most of the authorities. But then came the inevitable question: "Who on earth will buy North West?"

The image of a crumbling infrastructure was deliberately fostered in recent years because of the patent need for investment in the run-down infrastructure. The rate of investment and borrowing powers of the authorities have been controlled by the Treasury operating through the Department of the Environment, and because its needs were so great no effort was spared by NWW to highlight the scale of the problems.

The tactic worked brilliantly and in recent years NWW has received a much higher proportion of Exchequer money than any other authority.

"We now need to change the view of North West as an authority that just has problems to one that has significant advantages because of the work that has been done," says Dennis Grove, the chairman.

He admits that the authority has a harder marketing task than any of the others, but argues that the ability to solve greater problems could become a good selling point.

Progress so far is unquestionably impressive, although it has been made from an appallingly low base. Widnes, for example, was, until recently, one of many Lancashire towns with no sewage works and treatment of sewage in flowing into the Mersey Basin was virtually nil.

It has now risen to 30 per cent of flows into the estuary, which shows the extent of the work still to be done. The plan is to ensure that all discharges are treated over the next ten years, ensuring that the Mersey loses its unenviable reputation as one of Europe's most polluted rivers.

In the estuary, the organic pollution load from industry has been cut by more than 50 per cent, mercury discharges reduced by almost 90 per cent, while organic lead concentrations have come down by more than 75 per cent in the past five years.

Species of fish have increased from seven to 36 species and the relatively sensitive flounder, rare a few years ago, is now common. The estuary has become a haven for wildfowl and waders - peaking at around 80,000 birds, an increase of 60 per cent in the last decade.

Between 1981 and 1985 NWW will be spending £170m on improving water quality on the river's tidal stretch from War-

ington to the estuary at Liverpool 25 miles to the West. So far £85m has been spent on this stretch alone.

Already completed are new sewage works at Runcorn and Widnes in 1984, extensions to Ellesmere Port sewage works in 1985 and a screening plant at Wallasey the following year.

The key to the whole scheme is still under construction, however - the sewage treatment complex at Liverpool's former Sandown Dock, just north of the city centre.

Work on the scheme, occupying a prominent 20-acre derelict site on the river front, is on schedule. It will have taken six years to complete and should be fully operational early in 1990. Total investment will be £90m, but in addition a terminal has been built on the site for the disposal of sludge at sea at a cost of £30m.

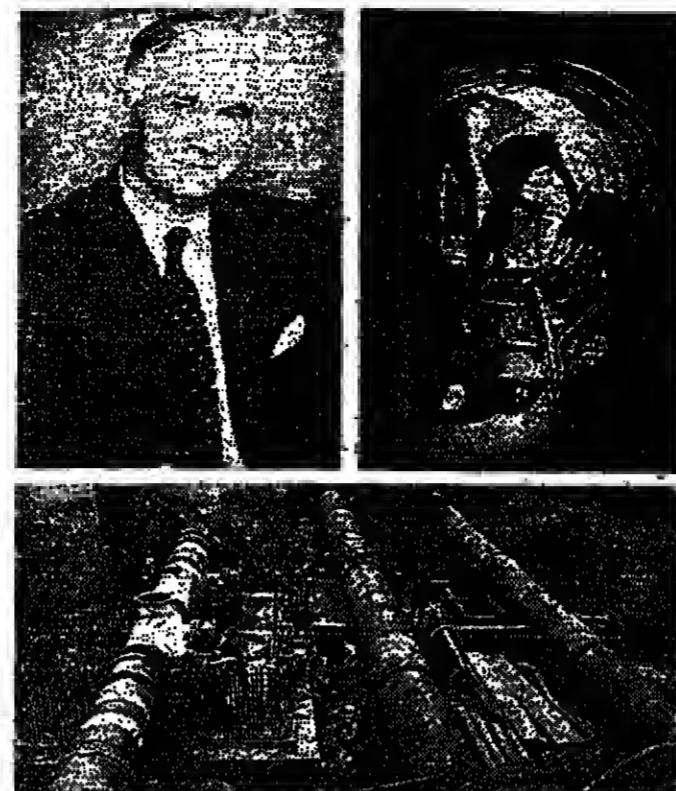
The whole Mersey Basin clean-up process is one of the most ambitious engineering projects in the country, and will cost a staggering £5bn in total by the year 2010, when all the up-river plans have been implemented.

There are beginning to be some labour shortages, however. "Civil engineering has traditionally consisted of mud, Irishmen and a lack of jobs. After years of surplus labour that situation is now returning," says the site director.

The authority has improved its efficiency significantly over the past few years by cutting its workforce from 9,500 to 8,000, by introducing sophisticated telemetry equipment and by reducing its tiers of management down to operational level from seven to five.

Two key jobs, group chief executive and finance director, still need to be filled, however, and the overall strength of the management team cannot be judged until these are in place.

High-tech applications have been introduced into billing procedures and 42 per cent of bills are now collected by direct debit. There has also been a significant increase in authority income following a drop of 15 per cent in the early 1980s because of the economic



Dennis Grove: instigated large investment in projects to improve NWW's infrastructure

depression in the region. Since 1987, income has risen by 2 per cent and this trend seems to be escalating.

Three ventures have been planned outside the core water and sewage activities in preparation for flotation. A joint company to take on international consultancy work has been formed with Welsh Water, a Lakeland smelt business has been launched with a Norwegian fish company, and an operating contract has been negotiated in Malaysia. A weather forecasting system used by NWW to predict rainfall and river levels has also been sold overseas.

Although the authority acknowledges the marketing difficulties it faces in selling itself, there are two important factors which might act in its favour. These are the proposed reconstruction of balance sheets prior to flotation and the fixing of the post-privatisation charging formula.

All the authorities' balance sheets will be substantially rewritten before flotation in order to make them equally as attractive as possible and avoid too wide a divergence of popularity. Some, like NWW which has a debt burden of over £1bn, will have debts written off or transferred, while others like Thames will have debts loaded

on.

In addition, all the authorities have had to submit detailed proposals for their capital requirements over the next ten years, and these will be used by the newly created Director General of Water Services to set price controls.

He will use a formula similar to that used for British Gas and British Telecom: the retail price index plus or minus a factor called K. The mysterious letter K represents a figure yet to be determined; it will allow for a combination of investment and profit, with a negative factor built in to promote greater efficiency.

The irony is that those authorities like NWW with the greatest investment need are likely to have the highest K factor and therefore be allowed to increase their charges by the greatest amount.

This might be bad news for consumers, but it could be good news for investors, as the higher charges could filter through to higher profits and dividends.

The message, therefore, is that although North West has an image problem, and has long been regarded as the poor relation of the ten it could become the one to watch when the flotation sluice gates are opened.

UK estate agencies

When the living is not easy

Philip Rawstone on the strategies of the national networks

The slack housing market in Britain is providing the first real test of the marketing strategies of the networks of estate agents established by financial institutions during the recent boom years.

The networks, with their greater financial resources, should in theory be better placed than the independents to ride out any rough times. Yet in such a "people business" not everyone is convinced that the supermarkets will necessarily have great advantages over entrepreneurial corner-shops.

It is still anybody's guess, too, which of the differing marketing approaches adopted by the networks will prove the best.

Prudential Property Services, the estate agency arm of the Prudential insurance group, is taking the lead in asserting its High Street presence with a £4.5m national TV and press advertising campaign.

The Pru has stamped its brand firmly on the 805 estate agents' offices it has acquired throughout England and Wales in a £200m buying spree over the past three years.

Well-established local names have been discarded, and replaced with the Pru's logo. "The brand is the strongest asset we have," says marketing director, Peter Eford. "It has worked well when business was booming; it should continue to do so now in a quieter market."

A £1.7m national advertising campaign last year established the Pru's name in estate agency. Its research showed 72 per cent of homeowners were aware of its entry into the business; and it sold 100,000 houses.

Perhaps more significantly, it began to fulfil one of the main objects of its acquisition programme - opening up a new market among young, high-income ABCLs for its insurance products. Sales of mortgage-related endorsements through the estate agency last year accounted for 90 per cent of the £9.7m growth in annual premiums.

The new campaign, devised by WCRS Matthews Marcantonio, is intended not only to target house buyers and sellers during the next nine months but to consolidate the Pru's

longer-term reputation in the field.

"Marketing estate agency is now a question of the effective combination of national advertising - where we promote the standard of professionalism and customer service we can offer - and local property advertising," says Eford.

The Pru's research showed that only 10-15 per cent of house buyers are reached by local press advertisements. Most buyers come direct to estate agents' offices. So the core of the Pru's strategy is to promote the service offered by its still expanding national network.

Natural wastage

The television commercials aim to convince first-time buyers of the breadth of its financial expertise; it has 350 financial advisers; it stresses the advantages of a national network; and help older people to realise capital by trading down.

The Pru, which has so far been able to adjust to the lower rate of activity in the market largely by natural staff wastage rather than redundancies, has put a great deal of effort and money into ensuring that its services match the claims its advertising makes for them.

It has invested heavily in new training schemes and computer technology. It has placed a leading role in moves to devise a code of practice; and it has brought in new forms of contract, as well as new services for customers such as the Homecheck survey. Even more boldly, it has repaired broken links in house-buying chains by stepping in to the market itself.

The 12,000 "Men from the Pru" - the insurance salesman who visit 5m homes every month - are also being used to reinforce the estate agency business.

"We have researched what the customer wants - and we are trying to provide it," says Eford. "The changes are marketing-led."

But in the move to change the estate agency business along retailing lines, the Pru's marketing strategy contrasts strongly with the courses taken by other insurance

groups in the field, though they, too, are busy improving their customer service.

Hambro Countrywide, a weaker national brand than the Pru, has kept the local identities of all its 500-plus estate agents - such as Birstow Eves, Manns and Abbotts. This decentralised operation has worked well so far, though it has recently announced some redundancies.

In the first half of 1988, it sold 28,408 homes and completed £559m of mortgages on a third of them. Pre-tax profits were 33 per cent higher than a year earlier, and with the launch last autumn of Hambro Guardian, a new life company, its push to sell more financial services to house-buyers has been gathering force.

Royal Life, whose network of estate agents rivals the Pru's in size, has also retained some of the original trading names of the agencies it has acquired.

"We believe that, for the moment at least, established regional names - such as William H Brown in the east of England and Fox & Sons in the south - give us a stronger high street presence," says B.J. Gladwin, managing director of Royal Life Estates. "As a former retailer, I don't believe in lightly changing the name over the shop door. When you acquire estate agents, a large proportion of the assets lie in the people, the regional brand name and local goodwill."

But Royal Life has rationalised the number of its brands, merging some weaker agencies into stronger chains; and rebranding others, such as Oyston in the north-west, with the Royal Life shield, in an attempt to move into the higher-price market.

Last year, the network sold 100,000 houses and completed mortgages on a quarter of them - contributing about a third of Royal Life's total mortgage business.

General Accident, with some 615 offices, is similarly trying to get the best out of both its national reputation and the local identities of its estate agents by tandem-branding - adding its GA brand to local names. The group ran a national TV campaign for its estate agency in April last year but, like Hambro and Royal Life, it has so far relied mainly on local press advertising.

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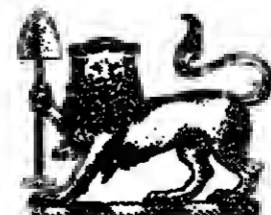
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TECHNOLOGY

Chemists with Hoffmann-La Roche, the Swiss pharmaceutical group, used computer modelling to help them discover a potent new treatment for hypertension, or high blood pressure.

They took a two-dimensional model of a new type of heart drug, published by a rival company, gave it a third dimension on their computer and modified the model on theoretical grounds.

The compound they have come up with belongs to a new class of anti-hypertensives, called angiotensin converting enzyme (Ace) inhibitors, which are just finding their way into the pharmacy. Ace inhibitors block the action of angiotensin II, an enzyme which works in several ways to increase blood pressure, including severely constricting the blood vessels.

Chemists with Roche's UK research laboratories, at Welwyn, took the two-dimensional model from material published in 1977 by Squibb, the US pharmaceutical group. (Squibb had been more interested in the action of snake venom on the cardio-vascular system.)

Roche's scientists used nuclear magnetic resonance (NMR) spectroscopy to identify the location of two of the three functional groups of the compound. This put them well on the way to creating a

three-dimensional model using molecular graphics, the science of drawing such models on a computer screen.

With a 3-D model, it was possible to experiment with the location of the third group by using the computer to assess the effects as a sulphur atom roamed around the molecule. In this way they identified the configurations most likely to prove a potent Ace inhibitor.

But they also knew that the third group - known as the thiol - was likely to have side effects. So they tinkered to find a way of replacing it without losing potency. The result was Cilazaprilat, which they synthesised in January 1988: "the most potent Ace inhibitor then known," according to David Clough, director of Roche's drug research at Welwyn.

Less than six years later, Roche applied for a product licence - 10 years is a more normal development period for a new drug, says Clough.

His team is part of an international research and development (R&D) effort which has put Roche - best known for its tranquilisers - on the brink of the lucrative heart drug market. According to Professor Jurgen Drews, a board director and chairman of Roche's research board, cardio-vascular R&D accounts for about a fifth of a total R&D budget of more than SFr 1.1bn (£400m). The

Putting the heart into R&D effort

David Fishlock explains how Hoffmann-La Roche has developed a new drug

330 scientists in this field span four research centres: Basel in Switzerland, Nutley in New Jersey, Kanakura in Japan, and Welwyn in England.

Welwyn's inspired computer chemistry catalysed an international development programme for the Ace inhibitor.

Four principles underpin Drews's management of Roche's R&D.

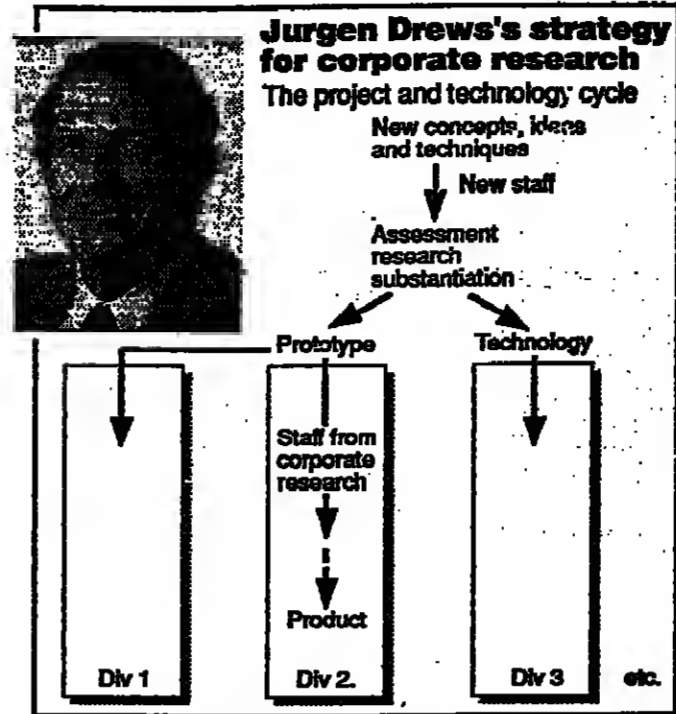
Centralised control - though not Swiss control - of all key activities through his research board.

Precise definitions of what is expected of the R&D sector, embracing some 6,000 of Roche's 47,000 staff. For example, they have been set a goal of launching one major new drug a year, which means they can calculate what resources will be needed to stand any chance of making it happen. For every success in this business, another nine possible drugs move from research to development but never quite make it to the pharmacy.

One of the four research centres is designated as a lead lab for each major area of R&D (although in the case of cardio-vascular research, responsibility is shared between Basel and Nutley).

Task forces of hand-picked young scientists carry out critical reviews of each project every two years. All research must constantly justify itself.

Drews, who joined Roche



from a similar position with Sandoz four years ago, has also introduced the idea of corporate R&D, engaged in science divorced from divisional responsibilities such as "drug hunting". He sees the corporate effort, based in Basel, as a "breeding station" where new ideas can be nurtured until

both brain (the key scientists involved) and brainwave are ready for transfer to a division.

The source of the brainwave may be someone associated with corporate research or with a product division, or someone recruited from outside. Corporate research offers a sheltered environment to

explore the idea. If those ideas are substantiated (see diagram), they are drawn into divisions, as prototypes, products or new technology.

Corporate research accounts for about SFr 100m a year and for 450 of Roche's 6,000 researchers. "It's a very important strategic instrument if used properly," says Drews.

It includes two academic research institutes, which Roche set up in Basel and Nutley from tranquiliser profits in the 1960s. They remain what he calls "free-floating academic institutes," close to the universities, but within his reach when he needs their special expertise, in molecular biology or immunology, for example. "We try to interact with them much more closely than in the past."

David Clough confirms that his Welwyn laboratories work closely with corporate R&D in Basel, mainly because of the expertise in molecular biology, the core of drug hunting today.

Roche scientists say that Drews's leadership has given a sense of direction and purpose to a sprawling R&D effort which has not enjoyed great success since the tranquiliser breakthroughs. As one of them puts it, until Drews took charge, Roche never seemed to get round to the critical experiment that would show whether it was on the right track. It

coasted contentedly on tranquiliser profits.

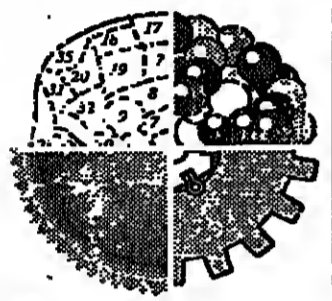
Now, they say, the national research directors have clear milestones and do not hesitate to tell each other what they think must be done.

In cardio-vascular research, the Ace inhibitor Cilazapril is the drug nearest the pharmacy. It can be taken as a pill just once a day and is expected to have fewer side effects than other Ace inhibitors, says Dieter Hinz, director of research for Roche's pharmaceutical division in Basel.

Even apparently trivial side effects, like coughing, can be a problem in drugs combating hypertension because the disease is a "silent killer", that is asymptomatic - until there is a sudden breakdown such as a heart attack or stroke. Anything the doctor prescribes for hypertension is likely to make the patient feel worse in some way than he or she did before taking the medicine.

Hinz identifies cardio-vascular disease as a research target for which there is "a notable scarcity of innovative new drugs."

The question is whether Cilazapril, which is said to be able to bring down blood pressure in three weeks, will put Roche back among the great drug innovators with the reputation it once enjoyed for inventing Librium and Valium.



WORTH WATCHING

Edited by Geoffrey Chalish

A plastic label for all seasons

A SYSTEM for the design and production of plastic labels for heavy duty applications, mainly in engineering, has been developed by the UK subsidiary of Raychem, the California-based special materials company.

Called Raymark, the £9,000 system permits computer-aided design (Cad), ink-jet

printing and heat curing of labels. It uses an IBM PS/2 computer, a Xerox printer and a curing system which involves a controlled oven with a moving bed. Labels are produced at the rate of one every five to 10 seconds. The company has written the software and supplies the labels, which can bear coloured designs, in 45 sizes.

The product is claimed to have better resistance to abrasion and solvent attack than most other flexible plastic labels. These properties come from a Raychem proprietary top coating, which absorbs ink at the printing stage and encapsulates it into a hard surface during curing.

An acrylic adhesive on the back of the label provides a strong bond with the surface of the labelled object. Raymark is the outcome of UK defence work. The labels can, for example, withstand the vigorous cleaning with steam used on submarines. They are designed to work in a temperature range of -40 deg C to 80 deg C and can

withstand 125 deg C for short periods.

The Cad software allows easy in-house design of a label and the inclusion of bar codes. A scanner enables existing paper artwork to be incorporated. The software also allows serial numbering of a run of labels.

More than a veneer of care

A PARIS furniture restorer, Michel Germond, has patented a process for restoring marquetry and veneered furniture which is much less likely to cause damage than conventional methods. His process is being handled by Elan, a marketing company in Paris.

The technique avoids the excessive sanding and scraping that can accompany conventional methods and avertually damage a piece of antique furniture. Marquetry may become warped and its components unglued in unsuitable temperature and humidity

conditions.

Germond's process involves fixing a rigid sheet of transparent plastic to the surface of the marquetry or veneering with a special adhesive. The sheet is flat or moulded to the appropriate shape. When it is carefully fitted, the marquetry comes away with it.

The detached layer is placed faced down so that it can be repaired and strengthened from the back. Meanwhile, any work on the carcass can be done without risk to the veneer.

Finally, the restored layer is re-glued to the carcass and the plastic sheet removed by a process which the inventor will not reveal.

Quick test for listeria

FOOD companies wanting to test their products for listeria can obtain a US-made instrument, called Vitak, from Bactomatic of Henley-on-Thames. According to the UK company, product recalls

due to contamination with listeria have already cost the global food industry \$200m (£110m).

Vitak, made by McDonnell Douglas Health Systems, is said to cut the time taken for the test from five to seven days, with conventional manual methods, to about one day.

The system uses a plastic plate containing 30 coin-sized "wells" in its surface. In each well are a growth medium and other ingredients that allow 30 tests for listeria (or some other micro-organism) to be carried out.

The food sample, in a fluid medium, is drawn into the well by a vacuum system and the plate is then put into an incubator, which contains an optical density measurement system. Since density is related to cell growth, the system is able to tell whether listeria is present by making comparisons with known results in its electronic databank.

The price of the Vitak instrument starts at about £25,000 and the cost of each test for listeria is £3.50.

Snappy marriage of video and fax

A SMALL UK company has married video and facsimile engineering in order to capture stills from a video camera and send them over a telephone line to any remote fax machine.

Etime Vision Systems of Maidon, Essex, provides two circuit boards for the IBM personal computer or compatible machine. One board is able to capture a single frame from the video signals and display it on the screen in a fraction of a second. The other, connected to a phone socket, turns the picture into standard facsimile signals. The single frame can also be stored on the PC disk, either in its digitised video form or as fax signals.

Called Videofax, the system has already been used to send X-ray pictures and microscope slides from one hospital to another. Another likely application will be in industry to help user and supplier discuss manufacturing and maintenance problems.

The system should also appeal to the security industry, since it allows video shots of intruders to be quickly sent to the facsimile machine in a police station or a security company control room.

Phoned without a parachute at 40,000 ft.

THE British Airways Boeing 747 passenger, pictured right, is phoning at more than 30,000 ft, at a cost of £5.30 per minute.

The passenger inserts a credit card in one of four units placed conveniently around the aircraft to release a cordless phone, which is taken back to the seat for use. The call goes by radio to an Inmarsat satellite over the mid-Atlantic, then to a dish in Cornwall and then almost anywhere in the world.

BA developed the system with British Telecom International and Racal, the UK electronics group.



CONTACTS: Raychem UK, 0793 28171, Bactomatic UK, 0491 572442, Elan Paris, 0226 8350, Etime Vision Systems UK, 0821 89500.

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PROJECT	CRITERIA
Relocation of Insurance Services Group and Information Technology Centre.	Cost savings in office accommodation. Availability of 300 local personnel. Good communications with rest of UK. Local infrastructure. Quality of Life.

DECISION
Cardiff 1976


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PROJECT	CRITERIA
Location of one of three main booking centres in UK.	Readily available inexpensive offices. Availability of workforce. Good communications links. Infrastructure. Quality of Life.

DECISION
Cardiff 1977


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PROJECT	CRITERIA
Relocation of capital markets back office processing, accounting and data processing functions.	Readily available workforce. High quality, inexpensive premises. Good telecommunications. Good road/rail links with London. University City.

DECISION
Cardiff 1983

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TSB Trust Company Limited

PROJECT	CRITERIA
Relocation and expansion of General Insurance Division.	Up to 300,000 sq. ft. purpose built offices. 2,000 people. Ease of communication. Scope for expansion.

DECISION
Newport 1987


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**DC Gardner Group plc
International Banking Consultants**

PROJECT	CRITERIA
Establish new office to handle financial and human resource training.	Good infrastructure. Fast communications with the City. High quality, inexpensive offices. Enthusiastic and adaptable workforce. Expanding financial centre.

DECISION
Cardiff 1988

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N M Rothschild & Sons Limited

PROJECT	CRITERIA
New branch office offering a full range of merchant banking activities.	Fast growing local economy. Banking and corporate finance opportunities.

DECISION
Cardiff 1988

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NATIONAL PROVIDENT INSTITUTION


PROJECT	CRITERIA
Staffing and accommodation needs of a leading life insurance business with substantial growth plans.	77,000 sq. ft. offices. City centre site. 500 people. Quality environment. Strong local support. Communications.

DECISION
Cardiff 1988

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**They have.
Will you?**

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BNP Mortgages

PROJECT	CRITERIA
Expansion by the residential mortgages arm of BNP.	Dedicated local staff. Excellent professional infrastructure. High educational standards. Quality of Life.

DECISION
Cardiff 1988

TSB have. Rothschild have. N.P.I. have. In fact, all these financial organisations have either moved to South East Wales, or expanded their operations in this flourishing financial location. They are just part of a thriving commercial sector who've capitalized on the area's great potential.

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For more information about South East Wales, ring Cardiff (0222) 222666 and talk to Stephen White, who heads our Financial Services Team. Or, if you prefer, write to The Welsh Development Agency, Pearl House, Greyfriars Road, Cardiff, CF1 3XX.



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FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
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Thursday February 16 1989

A Satanic warrant

THE FATWA of Ayatollah Khomeini sentencing Mr Salman Rushdie and his publishers has, unfortunately, been taken very seriously. With luck it may not mean that a specific Iranian "hit squad" will be assigned the task of murdering Mr Rushdie - though that cannot be taken for granted. But the Ayatollah's oral death warrant was explicitly addressed to "all the Moslems" and the sentence to be carried out "wherever they find them." Given the already inflamed state of Moslem opinion about Mr Rushdie's book, there is clearly a real danger that someone will try to act on this instruction.

When it comes to dealing with Iran, the British Government's options are even more seriously inhibited. Mr Roger Cooper, a British subject, has been held in prison in Tehran without charge or trial for three years now, according to the Iranian Information Minister, he has received "a heavy sentence" for spying, but a "final judgment" is still being considered. Meanwhile the British embassy was yesterday under attack by a mob. Mr Cooper is thus virtually a hostage, and British diplomats potentially so. Behind those considerations lies the wider strategic and commercial interest which Britain has, in common with other Western countries, in re-establishing normal relations with Iran.

Reciprocal basis

Yet it surely has to be made clear to Iran's rulers that normal relations can only be conducted on a reciprocal basis, and that incitement by the leader of one state to murder and violence in another cannot possibly form any part of them. It may be doubted whether Ayatollah Khomeini actively seeks a confrontation with Britain: the timing of his statement suggests that he was reacting as much to the deaths of demonstrators in Pakistan as to Mr Rushdie's book in itself. It is probably also true that a "fragrant" camp within the Iranian leadership, including the Foreign Minister, is genuinely keen to improve relations with Britain and is being thwarted by a group of hardliners around the Interior Minister.

Unhappy privilege

Bradford has the unhappy privilege of being the focal point of these tensions. It was there that a few weeks ago a copy of Mr Rushdie's book was publicly burnt, and now Mr Sayed Abdul-Quddus, the Moslem leader who presided at that incident, has apparently endorsed the Ayatollah's sentence. West Yorkshire police are considering whether to bring charges against him. Were he to repeat such statements they would have little chance of succeeding. At this stage it would perhaps be suffi-

Opening up the docks

The National Dock Labour Scheme and the pre-entry closed shop should be abolished. The real question raised by the recent Tory backbench campaigns for abolition is this: why has it taken the Government so long to consider such a move? The idea that the fate of the closed shop is still an issue might seem surprising. The 1982 Employment Act seemed designed to cut the ground from beneath closed shops by forcing them to be approved by 80-85 per cent of the workforce in a secret ballot. But a vote of less than 80 per cent did not kill the closed shop. It merely meant that an employee dismissed for non-membership of the relevant union could claim against his employer for unfair dismissal.

fairly determined to do away with the closed shop. However the Government is treading much more warily in the case of the National Dock Labour Scheme, which was set up in 1947, even though here the claims of ideology and competitiveness appear to be much more compelling.

Protected workers

The scheme allows only registered employers to employ registered dock workers, who are reserved work and guaranteed a minimum wage should there be no work. The scheme has protected individual workers, but only at the expense of inefficiency which has helped to depress overall port employment. The case for abolition seems overwhelming.

Felixstowe port, which operates outside the scheme, has out-performed the better placed, well-established port at nearby Ipswich. The scheme ports are typically old, formed around trade in bulk cargo. The non-scheme ports have generally attracted modern container and roll-on-roll-off traffic. If the scheme ports are to compete effectively for trade in the 1990s, they should be freed from their restrictions.

Yet on this issue, on which legislation could make a significant contribution to raising competitiveness, the Government treads cautiously, apparently wary of provoking a national dock strike by the Transport and General Workers Union.

The abolition of the scheme could be negotiated. It need not provoke a strike. If it did the Transport and General Workers' chances of coming out on top must be relatively small. Perhaps the most important reason for the Government to press ahead with the abolition of the dock labour scheme and the closed shop is that it would lay to rest the agenda of union reform opened in the early 1980s, which was itself a response to the 1970s. Both means are now rather outmoded diversions from the real problems which will face the British labour market in the 1990s - skill shortages and training.

David Owen reports on the flurry of mergers gripping Canada

Grasping for scale

In the space of 10 days last month, nearly C\$ 10bn (\$4.5bn) of corporate assets changed hands in Canada's brewing, airline, energy and forest products industries. These are just the latest transactions in a wave of mergers that has significantly increased the density of Canada's already highly concentrated economy. In many domestic industries, the balance of competition has been transformed. Examples include:

Big Canadian mergers

Table listing mergers: Aug 1987 PLACER DOME (formed from an amalgamation of Placer Developments, Dome Mines, & Campbell Red Lake Mines) n/a; Jun 1988 NOVA acquires Polystyrene Energy & Chemical C\$ 2bn; Jul 1988 DOFASCO acquires Alberta Steel C\$ 500m; Jul 1988 CAE INDUSTRIES acquires Linde Military Simulation Unit C\$ 95m; Jan 1989 MOLSON & ELDERS (XO) combine Canadian Brewing Operations n/a; Jan 1989 PWA CORPORATION acquires Wardair C\$ 241m; Jan 1989 IMPERIAL OIL acquires Texaco Canada US\$ 4.15bn; Jan 1989 STONE CONTAINER acquires Consolidated Balfour C\$ 2.6bn

driven by the same trends at work in other mature industrialised economies. The selective lowering of trade barriers and consequent emergence of a growing number of true multinationals is forcing businesses to acquire critical mass if they are to compete effectively. "In this new world... Canadians, even niche players, are going to have to be big enough to compete for the moment," says Mr Marshall Cohen, recently appointed chief executive of Molson.

Many Canadian markets have in the past been protected by barriers to international (and often interprovincial) trade. Now, some of those obstacles are being removed - not least by the free trade pact with the US, which went into effect on January 2. As a result, Canadian industry's need to restructure is now particularly acute. This restructuring is not confined to mergers. Inefficient branch plants, designed to supply a broad range of products for the relatively small Canadian market, are being reorganised to take advantage of longer product runs or closed down altogether. Established multinationals, like ICI and RTZ, are buying out the minority shareholders in their Canadian subsidiaries, to make this process easier. Canadian conglomerates of the old era, is spinning off non-core businesses.

The domestic tax structure, which allows corporations to write off fully their interest payments on debt, also favours mergers. In recent years many Canadian corporations have become less coy about leverag-

ing their balance sheets in pursuit of their ambitions - gaining tax advantages into the bargain. As for the latest merger spurt, it appears to be part coincidence and part attributable to the Canadian political situation. The timing of both the Wardair and Texaco Canada sales was dictated by the exigencies of the moment (Wardair's losses and Texaco's legal woes) and not strategic planning. Nevertheless, the re-election in November of Mr Brian Mulroney's Progressive Conservatives has reassured businessmen that they can anticipate a further four to five years of relatively laissez-faire government. It also cleared the way for the ratification of the US-Canada free trade agreement. The removal of these two sources of uncertainty appears to have persuaded corporate strategists to push ahead with their preparations for a more integrated North American market.

Indeed, the trade deal - in effect for less than two months - seems to have had a psychological impact far beyond the concrete changes it has so far brought about. These have to date been confined to the liberalisation of trade in a few arbitrary, unrelated sectors and raising the tariff from C\$ 5m to C\$ 25m of the threshold beyond which US takeovers of Canadian companies will be automatically reviewed.

to have prodded North American businessmen to think in continental terms. "The free trade agreement has signalled very vociferously that Canada will welcome foreign investment," says Mr Dumery Best, a Toronto-based analyst with Prudential-Bache.

After epidemic 20 years of economic nationalism at the hands of successive Liberal governments, potential US investors could be forgiven for seeking some form of assurance that their presence would be welcome before committing significant new resources to Canada. The implementation of the trade deal is the type of ice-breaking gesture they have been waiting for.

Prospective predators have been encouraged by what is increasingly perceived to be an undervalued Canadian stock market. Companies included in the Toronto Stock Exchange's benchmark TSE-300 index are trading at prices equivalent to roughly 11 times estimated 1988 profits compared with 13 for a comparable index in the US. In some sectors, however - such as broadcasting, chemicals, supermaterials, metals and minerals - the discrepancy is much greater. "Share prices are undervalued," says Mr Carl Beigle, an economic analyst with Toronto securities firm McLean McCarthy. "It pays for a company to buy rather than build at the moment."

The low Canadian multiples are partly explained by higher interest rates, but also by the striking proportion of listed companies that have a single controlling shareholder and are hence immune from hostile takeovers. None the less, the market has begun to respond to the spate of merger announcements in recent weeks. Over the year to date, the TSE-300 has risen by a sturdy 7 per cent.

The number of takeovers is providing food for thought for Canada's traditionally-indulgent anti-trust authorities. The Bureau of Competition Policy is currently reviewing the latest burst of mergers, case by case. The difficulty is that the creation of world-scale Canadian corporations does not always go hand in hand with the preservation of competition; and despite the free trade pact, a wide range of markets are not yet open to unfettered international trade.

Two of the most recent mergers - those between Molson and Carling O'Keefe, and PWA Corporation and Wardair - have occurred in markets (brewing and air transport) that are still essentially closed to foreigners. The protective "cladding" is likely to come off in time. In the meantime, however, Canadian consumers will be served in both cases by a duopoly of companies each boasting approximately 50 per cent market share.

Few would dispute that Canada needs to nurture more large, efficient corporations like Northern Telecom and Seagram, capable of competing effectively in international markets. Vigilance, however, would appear to be necessary to ensure that consumer interests are nurtured in those markets where unfettered free trade has not yet arrived.

BOOK REVIEW

The prison of old ideas

They sat chained to their desks, in narrow, dark cubicles, surrounded by bottles of aspirin, dressed in prison stripes, closely observed by their supervisors, enclosed without sunlight or food. They anxiously pounded away at computer keyboards, their bleary eyes brought to life only by the text flickering across their visual display units. They hardly talked to one another. The old reality of clerical work had disappeared. They were the clerks in exile.

IN THE AGE OF THE SMART MACHINE: The Future of Work and Power
By Shoshana Zuboff
Bantam, £16.95

These were images conjured up by clerks in a US insurance company. The exile they talked about was an exile from history: the traditions of their role within the organisation, the introduction of a new office automation system, the social, talkative, world of the office had been transformed in workers' eyes into the disorienting, isolating drudgery of work within their computer cubicles. It is one of the strengths of Shoshana Zuboff's book describing the way that new technology can transform power at work that she understands and conveys the details of the disruption it can bring to working life.

She draws upon a familiar repertoire of business theory, economic, industrial relations and law to understand the changes wrought by information technology. But she also delves into anthropology, the history of religion and the history of post-modernism to illuminate how information technology alters the meaning of work, the identities of workers, people's sense of themselves. What marks this book off as head and shoulders above others in the "future-of-work" genre is the way Professor Zuboff manages to draw together the detail of changing patterns of work, and their wider, philosophical significance. We will only understand how best to use information technology, she says, when we grasp the extent of its challenge to deep seated assumptions we make about work.

managers' ability to control information and knowledge about the organisation. It is managers' understanding of the needs of the process of production as a whole that is the foundation of their authority to issue commands and instructions. The new technology poses a fundamental challenge to this first approach. Traditional managerial power rests upon a rigid distinction between the mental work of managers, largely carried out through communication, and the mainly manual tasks of workers, carried out through working on an object. But with computer integrated production systems manual work often becomes more mental than manual. Information can be provided through the screen and the system rather than verbal or written communication.

Productivity growth is no longer a simple matter of effort and technical skill. It is about everyone learning to make the most of the flexibility of the technology - which requires a much more open, participative approach to management, to encourage workers to take their own initiatives on the basis of information gleaned from the computer system rather than an instruction from management. The book is a warning. New technology production could lead to more participative and open ways of working. But it could also create the exile of the clerks on a much larger scale. Which of these courses we take will depend upon the choices made by managers.

On this, the book seems justifiably pessimistic. It concludes that the central restrictive practices which hold back the full productivity potential of information technology do not stem from union demarcation lines, but from management's inability to overcome an addiction to hierarchy, instruction and command. Companies have been able to clothe themselves in an aura of modernism and progress because they have introduced new technology. But, according to Professor Zuboff, new technology will not merely expose the inadequacy of old production methods. It could in time expose the historical exhaustion of the hierarchical, scientific management techniques introduced in the early part of the century. It is those techniques, the dubious inheritance of modern managements, that could be the most powerful inhibitors of change.

Charles Leadbeater

Trials of the non-exec

The post of non-executive director can be much more of a strain than it used to be, as David Malpas and Brian Haggas are finding at Magnet, the kitchen and DIY group. Respectively managing director of Tesco and chairman of the John Huggins textile company, the pair have had a huge responsibility thrust upon them. The executive directors at Magnet are planning a \$500m-plus buyout. It is up to Malpas and Haggas, with a little help from Kleinwort Benson, to recommend whether the management should be accepted or not by the 99 per cent of shareholders not involved in the buyout.

Haggas, 57, is not a City insider: he would be much more at home on a Yorkshire grouse moor than in the Square Mile. Friends say that he exudes solid Yorkshire qualities such as common sense and a dislike of undue expenditure. He is certainly very canny. He sold the family spinning firm to Dawson International in 1978, just before recession struck the textiles industry. With help from his mother, he bought it back in 1983 for less than he sold it for. It returned to the stock market in 1986.

Real British

On one front at least, the British food industry is still advancing. The Parkinson Banger will now be sold in selected supermarkets. The sausage is named after Norman Parkinson, the photographer, who went to live in Tobago and pinned for his native dishes. So he developed what he calls the "perfect banger" - 80 per cent prime British pork blended with herbs and spices, and with a touch of honey. Hitherto they have been sold mainly at Harrods and Fortnum and Mason, and served in a few hotels like the Ritz. They will now be available at a number of Gateway, Safeway and Tesco outlets. The price is £2.20 a pound. Parkinson was dishing them up at a celebration breakfast at the Ritz yesterday.

Nasty habit

The business of men demonstratively kissing each other on both cheeks in public seems to be spreading. Observer has come across it twice at separate functions in the last 24 hours. This column is the last place to take a characteristic line, but that practice is not British and ought to be stopped.

Woman at Nato

True to tradition, President Bush is rewarding his long-time financial backers and political supporters with desirable ambassadorships, mostly in Western Europe. Peter Seacchia, the Republican state chairman in Michi-

OBSERVER



gan who last year beat off Bush's TV evangelist challenger, Pat Robertson, has been given the desirable post of Rome; Walter Curley, a major New York fund-raiser and class-mate of Bush at Yale, takes Paris; Joseph Zappala, a Florida land developer, is going to Madrid; Melvin Semler, also a member of the Florida real estate fraternity, takes Australia; and Frederick Bush (no relation), a long-time campaign hand best off a challenge from Jay Silverman, a big-money New York Republican activist, for Luxembourg. It would be wrong to conclude, however, that the State Department is unduly disappointed at so many posts going to outsiders. There are some very professional appointments to the posts that really matter.

Michael Armacost, the number three State Department official under President Reagan moves to Tokyo; General Vernon Walters, ex-UN ambassador and deputy CIA director, goes to Bonn; Morton Abramowitz, a top State Depart-

ment official, takes Ankara; John Negroponte, formerly deputy National Security Adviser, moves to Mexico (where his background in supervising the Nicaraguan Contra rebels has ensured a frosty reception); Donald Gregg, formerly CIA, goes to South Korea.

One appointment that has not been confirmed, but is strongly rumoured, is that of Rosamund Ridgway as US Ambassador to Nato. Ridgway was in charge of the Europe and Canada desk at the State Department. The rumours have been well received on this side of the Atlantic.

Dying fall

It could have been the last night of the Proms. A radio symphony orchestra played Land of Hope and Glory and a crowd of 4,000 sang along. The scene was Lisbon where musicians held an outdoor concert in protest against the planned closure of the country's two symphony orchestras. The Portuguese Government says that they are not up to international standards and wants to replace them with a new chamber orchestra consisting largely of imported musicians. Anyone with the present groups who wants a job with the new one will have to pass a test.

So the musicians took to the streets and held one of their last concerts in white tie and tails outside the parliament building. Parliament stopped to listen and even those who agree that the general standards are high too high acknowledged that the players performed with greater zest than usual.

Soft touch

An Irish journalist was waxing lyrical about the qualities of Irish women, particularly their fresh country ways. He recalled an Irish lady he had met in Paris. "Holding your hand," she said, "is like milking a cow."

Which BES? Advertisement for BES (Business Enterprise Scheme) investment management. Includes text: 'You must have read of the benefits of Business Enterprise Schemes. Assured company schemes in particular are among the most talked about and written about schemes... Consult the BES Experts... MARCH INVESTMENT MANAGEMENT LIMITED... FREE INFORMATION'.

ECONOMIC VIEWPOINT

Don't count on a soft landing

By Samuel Brittan

The headline of this article means what it says: it does not rule out a soft economic landing in the UK or anywhere else. It states only that such a landing cannot be guaranteed and it is beyond the power of policymakers to produce it.

Whether the rate of UK inflation can be reduced without a recessionary bump depends on the underlying behaviour of the economy, which is beyond the power of the Treasury or Bank of England to determine, by means of their usual tools such as budgets and interest rates. Nor are there attractive alternative tools remaining unused.

The one guarantee of disaster is if policymakers presume to exercise powers they do not have. Then indeed we can be sure of disruption and thoroughly unnecessary changes.

This message of modesty is aimed not merely at the growth optimists. It is also aimed at gloomy prognosticators such as the Federal Reserve chairman, Mr Alan Greenspan, who claims - in contrast to President Bush - that the US cannot sustain a real growth rate of more than 2 1/2 per cent per annum. He does not know. It could be less or it could be more, and the sustainable rate could have changed, not least because of Ronald Reagan's much sneered-at supply side reforms such as deregulation and reduced marginal tax rates.

The task of the Fed is to aim at nominal variables, that is cash magnitudes such as credit and money, and gross domestic product in terms of current dollars and also, I would add, the dollar exchange rate. Some compromise is necessary even among the nominal variables just listed. But by no stretch of the imagination does the Fed control the long-term growth of the US output or the short-term fluctuations of national income.

In the UK there are some signs, for instance in house prices and retail sales, that domestic demand is coming off the boil. But these are still very tentative and could be blown away by a fresh set of disappointing indicators for a single month.

Rather more important is the evidence of just how strong the inflationary pressures have been. The rise to 5.8 per cent in output price inflation (formerly called wholesale prices) was indeed paralleled by a similar increase in the cost of materials and fuels - itself due to earlier rises in prices of metals and other basic inputs. But the key point is that business managed to pass these increases well and truly on to the customer.

The strength of both home and overseas demand for British products, at the average exchange rates prevailing over several years, is shown by the fact that since 1985 rising profits have contributed just as much as rising labour costs to inflation. This is remarkable as the share of total final output is only a third of that of labour costs, and surely evidence of what used to be called demand inflation.

Internationally, there has been a slow upward creep in consumer price inflation. Even Germany recorded a

2.5 per cent annual rise increase in consumer prices in the year to this January. Although the German inflation rate has been boosted by a consumer tax increase, no one in the Federal Republic is taking this as an excuse, or claiming that the inflation has not occurred.

Even if the signs of a slackening in demand growth are confirmed, the squeeze could still be tougher and more durable than generally imagined; and the central banks may have to persist despite cries of woe but persist in doing their own thing rather than striving for particular real growth rates.

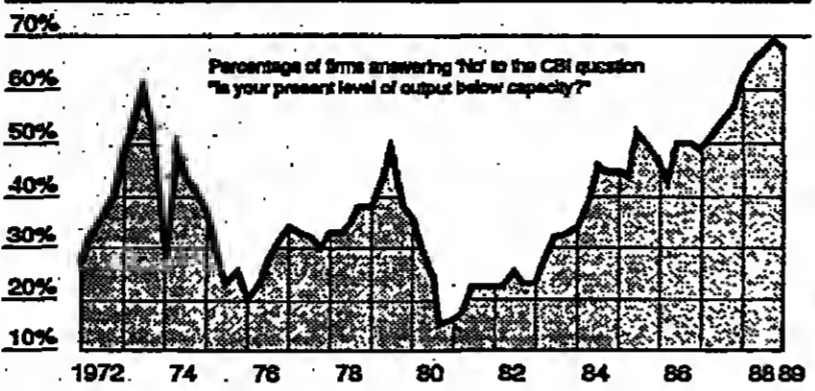
For those with interest and patience, the argument can be taken further. The present rise in inflation can best be understood in the light of earlier debates on the shifting trade-off between inflation and unemployment shown by the so-called Phillips curve. Friedman and other critics argued that only one point or region on this curve was sustainable; and that this was given by underlying real world characteristics - such as the flexibility of labour markets, geographical mobility, the social security system, training and retraining facilities and much else outside the range of financial policy.

Any attempts by governments and central banks to take a short cut to growth and employment by boosting demand, would, they said, lead not just to a one-off rise in inflation, but to an accelerating inflation, which would have to be brought to an end. This acceleration did, indeed, occur on a worldwide scale in the early 1970s, following the breakdown of Bretton Woods and the oil price explosion, which were triggers rather than causes.

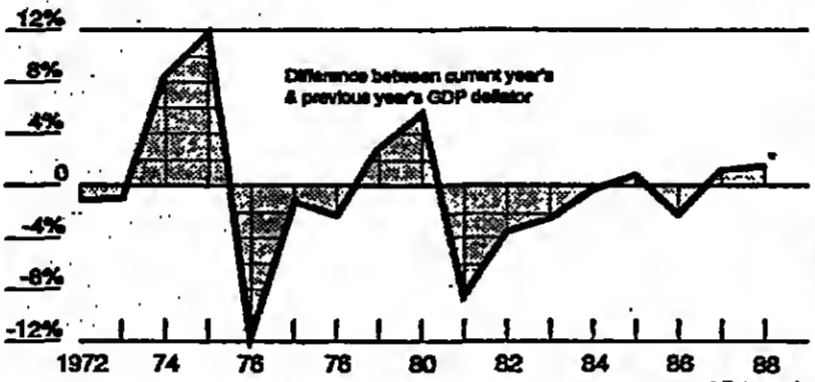
These fundamental aspects of the post-Keynesian revolution were for a time overlaid by what Nigel Lawson has rightly called "second order questions" about monetary targets and so forth. But the basic debate has been usefully restarted in the pages of the Financial Times in an article on this page on February 1 (Trying to Arrive at a Reasonable Trade-off) by Terry O'Shaughnessy and in letters published on February 9.

O'Shaughnessy's own trade-off is between unemployment and the current balance of payments. As there is

Capacity utilisation



Change in inflation rate



some limit to how large and prolonged a deficit overseas investors will finance, we cannot choose our own preferred position on this trade-off either, but have to accept whatever level of unemployment is needed to produce a sustainable balance of payments - pending longer term supply side improvements.

My own view, mentioned in a Lombard article on February 6, is that the balance of payments constraint is the symptom, as for a time inflationary forces can be siphoned off into increased imports or diversions of goods from the export markets. I also said that, if the balance of payments were the fundamental constraint on growth and employment, it could be overcome by forming a monetary

On the other hand, an index of capacity operation based on a question in the CBI survey has yielded better, although of course imperfect results. A health warning is required that the chart plots merely an index of less or more. It does not attempt to show the actual level of capacity operation - itself a subjective concept.

In view of the tendency of excess demand to lead not merely to inflation, but to accelerating inflation, I have put underneath the capacity chart another one showing changes in the annual rate of inflation compared to the previous year. And, indeed, inflation does seem to accelerate when capacity utilisation is high and to decelerate when it is low.

The relationship looks much more dramatic for the 1970s and early 1980s. This was because the average rate of inflation was then in double digits, so that changes in either direction often amounted to many percentage points. There has, however, been no true decoupling, and inflation still rises when utilisation rates increase. Obviously, other forces have also been at work, such as the dramatic oil price increase of 1973-4 and 1979-80, as well as the partial oil price collapse of 1985-86.

There is one more cheerful aspect. This is that the level of the capacity index consistent with stable inflation seems to have risen from around 30 or 40 per cent in the early part of the period charted to above 50 per cent to recent years.

Having investigated relationships such as the ones suggested by the charts, inveterate fine-tuners then repeat all the old errors by trying to use them as policy tools. The true role of concepts such as the NAIRU or sustainable rate of capacity utilisation is pedagogical: to warn against hubris by planners and model-builders.

If the point where inflation takes off is far below present and prospective levels of capacity utilisation in the UK, then the British economy is in for a hard landing. If the introduction of new capacity and better use of existing capacity has raised the maximum safe level sufficiently, then the landing can be a softer one.

Nor would I want to say goodbye to labour market constraints. The low take-up of the latest training scheme together with the pattern of demand-determined pay rises makes me suspect that the labour market is now very tight from an economic point of view, however grave the social problem of unemployment remains.

Mr Lawson is perfectly entitled to be a growth optimist and Mr Greenspan a growth pessimist. What is expected from both of them and others is to suppress their private hunches as much as humanly possible and concentrate on the movement of demand in nominal terms and its distribution between countries. They do not know or need to know how much real growth needs to slow down or go into reverse, or how high a rate of capacity utilisation their economies can sustain. A hands-off attitude to matters they can only influence in a long-run way and mainly via other organs of government would be helpful.

LOMBARD

A contract for citizens

By John Lloyd

WHAT BECAME known in the Labour movement five years ago as "new realism" was seen by many who professed to embrace it as a largely cosmetic exercise. Even those who saw it as a structural shift did not (and still have not) conceived of it as much more than a greater reliance on market mechanisms.

Yet it was always implicit in new realism that if it were to inform an opposition programme, it would have to become a framework within which policies addressed the world as it is, rather than a series of reorientations in the Government's slipstream. This entails hitting a certain number of bullets. Yesterday another was publicly bitten in the interest of proposing a programme for full employment. It may be quite significant.

The history of it is this: Mr Peter Asby, a former Trades Union Congress (TUC) official who now works as employment studies fellow at the Anglican foundation of St George's House at Windsor, convened a number of seminars in the course of last year, to thrash through ideas on how to achieve full employment. These were not just well-intentioned, empty-headed flailings; Mr Asby guided the participants to confront the question of whether it should be proposed that, in return for a Government guarantee of training or a job, all citizens should be under an obligation to work or train - on pain of losing their benefit.

In a report issued at the end of these consultations, Mr Asby summarised the conclusions as "a new compact between the citizen and society. Able bodied citizens should undertake to do all in their power to secure paid work, and society in turn should undertake to do all in its power to assist citizens seeking paid work."

The long term unemployed are of particular concern to this approach. Peter Asby has worked among them for the last two years. In structured consultations, he has again and again discovered that they desperately wanted a job - but the longer they were out of work, the more hopeless they were of getting one.

The St George's report thus called for:

- A guaranteed place on the Employment Training (ET) scheme, which now offers 600,000 people up to six months training.
- An "adult compact" under which employers would agree to recruit from ET leavers with appropriate qualifications.
- As a last and temporary resort, the safety net of a public sector job.

An expensive list, especially in the face of a Treasury confident that unemployment is not an "issue" (merely a private misery), and a Department of Employment whose budget is falling in real terms. Yet Peter Asby claims to find, in the attitudes of officials and even Government ministers, enough openness to the idea to encourage him to take it further.

Thus there was launched, yesterday, Full Employment UK. At its core is the belief that "the restoration of full employment would reaffirm the mutual responsibilities of both the citizen and society; the responsibilities of the citizen to contribute to society through paid work and of the society to enable men and women to make that contribution."

It has a board of trustees drawn from all the main opposition parties - including the Church of England - and it is being promoted (with his customary vigour and lack of political inhibition) by Mr Frank Field, the Labour MP for Birkenhead.

It enters a territory already occupied by the Employment Institute and the Campaign for Work. Both these started life with high hopes, and the former acquired a high profile, largely through the pioneering work of Professor Richard Layard. But they have since subsided into the background. Full Employment UK hopes to avoid that fate by targeting a programme simple and achievable - if expensive - and by pushing a social contract with real popular appeal, even if it past two years. In structured consultations, he has again and again discovered that they desperately wanted a job - but the longer they were out of work, the more hopeless they were of getting one.

LETTERS

Promoting design

From Ms Kathy White.
Sir, Nowhere in the announcement of the Design Council's new strategy, is any consideration given to how better product design will break into the world markets. Well-designed goods are potentially more visible in the competitive world of exports. To pass this potential it is necessary to look to the vital ingredient of promotion.

In common with many manufacturers, my experience has been that overseas buyers researching British goods made the Design Centre with its index (now defunct) shop - their first stop. The Design Council considers that this facility is now irrelevant to its aims. It is mis-

Dismay over the V&A

From Mr Milton Sontag.
Sir, As curator of textiles at the Cooper Hewitt Museum I reacted to the proposed changes at the Victoria and Albert Museum with shock, disbelief and anger.

The basic organisation, with emphasis on materials supported by rich collections, has always been one of the strengths of the V&A, and set it apart from most art museums. This organisation has been a model for other museums, including ours. Over the years, as interest in decorative arts waned and some collections were threatened or reorganised, the traditional strength of the V&A continued to grow.

Debt turned into donation

From Miss Stephany Griffith-Jones.
Sir, "Greening on debt" (February 7), Peter Montagnon's interesting and thoughtful article does not make sufficiently clear an important distinction between Third World debt donation and debt purchase. He makes too sharp a distinction, on the other hand, between operations which favour the lender and those which benefit the environment.

In December 1988 Midland Bank made a donation of all its Sudanese debt to Unicef (United Nations Children's Fund). Unicef made a deal with the Sudanese Government to get the debt serviced in local currency, the proceeds of which are being used to provide clean water for approximately 5,000 villagers, in a programme jointly agreed between Unicef in Sudan, and the Sudanese government.

Nowhere else in the world has a visitor access to galleries displaying such a broad geographic range of textiles (European lace to Oriental carpets), or so many periods (in weaving and embroidery, for example from medieval times to the present). The same can be said for other materials. Keepers at all levels, surrounded by materials and techniques of which they have first-hand knowledge, can be called on for guidance and expertise. If this aspect of the V&A's structure is modified as suggested, a unique service to the world will be lost.

Every public and private collection needs improved storage and more efficient management systems. But a museum cannot be managed like a department store, with accountants, merchandisers, shipping clerks and sales people. Recent experience with this management approach shows it to be wasteful and dangerous to the safety of objects - because placement and registration of objects have become the primary goals.

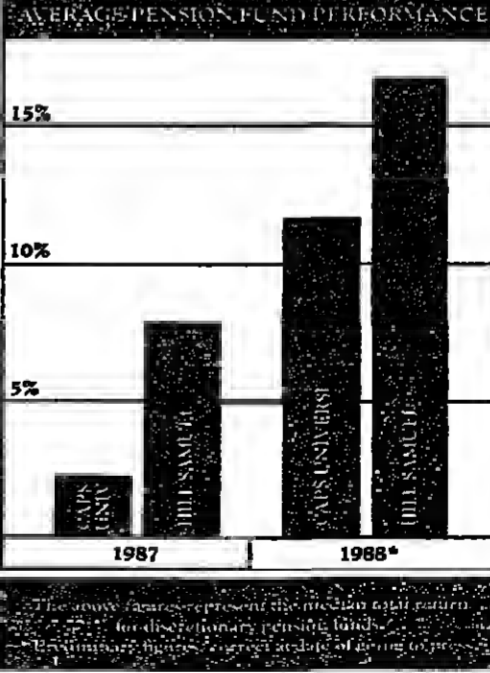
Job losses in the City

From Mr Ralph Griffith.
Sir, Mr Noel de Berry (Letters, February 3) reminds me of the point I continually make when providing outplacement counselling to redundant City of London people: it is unimportant whether it is 50,000 people or 50, unless you are one of them.

Such a system may appear attractive, and have the added advantage that a keeper is free to do more research. In reality, the reverse is true. All levels of contact with an object contribute to a keeper's expertise: the determination of storage categories; writing catalogue descriptions, exhibition labels, books and articles; conferences with conservators; determining correct photographic views and lighting; answering the questions of scholars and the general public. Who else could possibly ensure the study and safety of objects in a museum other than the persons who know them intimately?

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FINANCIAL TIMES

Thursday February 16 1989



More executives held as scandal widens

By Ian Rodger in Tokyo

TWO MORE executives from the Recruit publishing group were arrested and sent to jail yesterday in connection with the widening scandal over the group's gifts to a large number of leading Japanese politicians, civil servants and businessmen.

scandal. Three Cabinet ministers have resigned in the past three months because of links with Recruit. He said he would do his best to restore public trust in politics, but rejected opposition politicians' demands that he resign and call a general election.

Mr Ezoze claimed when testifying in the Diet last November that the transactions were direct ones between the individuals concerned and that Recruit had only acted as an intermediary. The prosecutors said yesterday that it was clear that Recruit, under the direction of Mr Ezoze, had selected both the recipients and the selling price of the shares and that Mr Mamiya and Mr Takeoka were intimately involved with arranging the transactions and so should have informed the Finance Ministry.

bid to enter the data communications business in the mid 1980s. Mr Hisashi Shinto resigned as NTT chairman in December following revelations that profits from Recruit Cosmos shares had been deposited in his bank account.

Star investigator trails Recruit suspects

Stefan Wagstyl introduces the relentless public prosecutor leading Tokyo's inquiry

If there was ever any chance that the Recruit affair might be swept under the tatami mat, it disappeared when Mr Yusuke Yoshinaga was named to head the public prosecutor's team investigating the scandal.

Known as the "Giant of Special Investigations", Mr Yoshinaga has spent half his 30-year career as a public prosecutor working on political cases. In the 1970s, he led the investigation of the Lockheed bribery affair which resulted in the arrest of Mr Kakuei Tanaka, the former Prime Minister.

involved allegations that Mr Ezoze tried to lead leading politicians, businessmen and bureaucrats by selling them shares in Recruit Cosmos on favourable terms shortly before Recruit Cosmos was floated in 1988. Mr Yoshinaga is concentrating on three groups of people who allegedly received shares in return for favours to Recruit - top executives of NTT, officials in the Labour Ministry and their counterparts in the Education Ministry.

At times, the prosecution has been ready to ham it up for the audience. Raids on the offices of Recruit, Mr Ezoze's master company, Recruit Cosmos, its subsidiary, as well as NTT, have been staged in full view of the television cameras.

Dollar unsettled by interest rate concern

By Simon Holberton in London and Janet Bush in New York

THE DOLLAR rose and fell sharply in choppy, nervous trading yesterday as currency markets waited for firmer signals to short-term monetary policy in the US and West Germany.

Y126.50 and DML8450, a recovery which prompted rallies in US equities and bonds. The Bundesbank sought to play down the imminence of a rise in official rates.

reflected concerns about a possible rise in West German interest rates and residual worry that the Administration is taking a soft line on inflation which will limit any further rise in US interest rates.

W Germans tighten arms export rules

Continued from Page 1

The German Foreign Office has been pressing for a form of negligence clause, qualifying the ability to plead ignorance, but may have been out-maneuvred by the Economics Ministry defending the interests of exporters.

UK manufacturing output rises by 7%

By Simon Holberton, Economics Staff, in London

THE OUTPUT of British manufacturing industry rose by 7 per cent in 1988, its best year of the decade so far and second only to 1973 when, at the height of the "oil price boom", manufacturing output grew by 8.3 per cent, according to official figures released yesterday.

growth in output since 1960, Whitehall officials said. They said there had been seven consecutive quarterly rises in output greater than 5 per cent since early 1987. When compared with previous periods of rapid growth, for example 1967-68 and 1972-73, this latest period is much less volatile and erratic, they said.

above the level of the previous three months and 7 per cent above the level of a year earlier.

WORLD WEATHER

Table with columns for location, temperature, and weather conditions. Locations include Alaska, Algeria, Argentina, etc.

Moslem outrage at Rushdie novel

Continued from Page 1

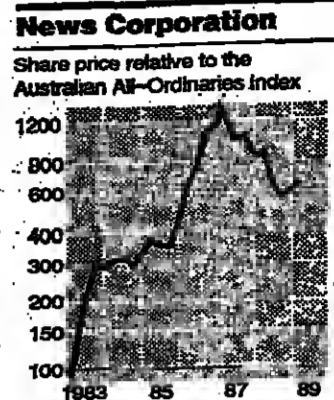
and the threats made by some British Moslems. "It is an intolerable and barbaric state of affairs," Mr Pinter said. "The Government has a responsibility to protect its citizens... It should confront Iran with the consequences of its statement and remind the Moslem community here that it cannot incite people to murder because it is against the law."

home and the offices of his publishers. West Yorkshire police, meanwhile, disclosed that they were investigating comments by Mr Sayed Abdul Qudus - a Moslem leader from Bradford who is reported to have said that Mr Rushdie deserved to die - to see if there were grounds for prosecution.

over Mr Rushdie's novel, a Foreign Ministry spokesman said yesterday that the Government planned a campaign against the book. He said this would include a call to all Moslem countries to ban other books published by Viking, unless Mr Rushdie's book was withdrawn from sale.

News from under the debt mountain

The thing the market likes least about News Corporation is the A\$8.5bn it owes the banks. But according to yesterday's intimations, the company is bearing up just fine under the weight of its borrowings.



itself, they have managed to resist the company's attractions thus far, and a prospective rating of nine times earnings is probably still not low enough to change that. Breaking the company into more lucrative bits would no doubt provide a return to a predator. But at current levels, it might look like too much work for the price.

Unfortunately for News Corp, the people who worry most about its gearing are generally the least inclined to take its figures seriously, so that any interest cover calculations are unlikely to win them over. Yesterday's predictably flattering self-portrait showing a 20 per cent increase in profits did not help matters for the shares, which are now on a p/e 30 per cent lower than the average Australian company - whose likely earnings growth is presumably more mundane.

group may start to enjoy in the forthcoming year provided the delays in the delivery of its new '74s do not disrupt its peak summer traffic. However, the shares have had a good run and although international airline traffic forecasts are being revised upwards a prospective multiple of seven is only a couple of points below ICI. Even BA's Lord King would be hard pressed to argue why it should command a significantly higher rating given its over-stuffed and aggressive balance sheet ratios. Any normal industrial company would be thinking of having a rights issue to pay for its expensive new fleet but this is not the sort of talk that the US analysts want to hear.

Despite the continued obscurity of Elders' tactics over the Carnaud/MB deal, some of its arguments are starting to come across. Its proposals may be industrially negligible by comparison, but they present shareholders with some 230p in cash and maybe 80p more in paper - a respectable enough alternative to the present MB share price of 288p, which is the market's implicit valuation of the all-paper Carnaud offer. And while the Carnaud deal is certainly not a takeover in form, it comes close to it in substance. One can partly sympathise with Elders' frustration at not having access to information to which it would be entitled as a counter-bidder, and which might enable it to offer a higher price.

Suter

Suter shareholders have had their credulity tested often enough in the past year, with the company alternately asserting that it was talking to a range of different buyers or to none at all. But yesterday's news of a return to business as usual must rank as the worst outcome. Shareholders are left with stock which continues to languish in the shadow of a DTI investigation, and has just had its bid premium cancelled by management decree.

It seems quite unlikely that these shareholders will be sufficiently attracted by such uncertainties to vote against their board on Friday week. Elders may be serious, but it has left it too late. And after all, sticking to the Carnaud plan could be a good deal in the long run, if yesterday's revelation of 40 per cent growth in 1988 earnings is anything to go by.

British Airways

British Airways' fares are a long way from being the cheapest in the world but it is so convinced that its shares are better value that it is flying in a Concorde load of US analysts on Friday to make its point.

Mr David Abell, who has been at the centre of the company's problems.

Mr Abell is currently seeking to repair his position through the courts, but unless he succeeds, Suter may still find a scarcity of companies willing to be bought by it. For a company whose stunning earnings growth rate has depended heavily on acquisitions in the past, that is no small handicap - despite Mr Abell's assertion that there is not much he wants to buy at the moment in any case.

As for bidders for Suter

Advertisement for First Pacific Securities (Thailand) Limited, announcing its start of trading as a member firm of The Securities Exchange of Thailand. Includes contact information for London, Bangkok, Singapore, and Manila.

ACCOUNTANCY COLUMN

Old order gives way to new in consultancies

By Richard Waters

IT APPEARS to be open season for management consultants - or rather, the people running the consultancy divisions of accountancy firms, which are among the largest operations of their type in the UK.

It emerged yesterday that Peat Marwick McLintock, the country's largest accountancy firm, is set to replace Mr David Morris, the head of its consultancy practice for the past five years.

He will be succeeded at the beginning of April by Mr Colin Sharman, a dynamic 45-year-old who is the closest thing Peat has to a troubleshooter.

Mr Morris joins Mr Gareth Jones of Ernst & Whinney, Mr David Miller of Coopers & Lybrand and Mr Tim Bishop of Spicer & Oppenheim, all of whom have been nudged to one side with varying degrees of delicacy to make room for new managers.

Mr Bishop, like Mr Keith Stenn at Arthur Young some while ago, is now advising on the strategic direction of his firm, as well as working with Spicer's clients.

What went wrong? The answer appears to vary from firm to firm. Mr Morris, a highly professional but cautious accountant, simply did not push Peat's consultancy practice hard enough.

Last year its consultancy fee income grew by less than 20 per cent while rivals expanded

at nearer 40 per cent. It was also starting from a low base: Peat missed the boat on consultancy in the early 1980s, while others such as Coopers & Lybrand, Arthur Andersen and Price Waterhouse moved into the business fast.

Peat is now the largest accountancy group in the UK (and, as part of KPMG, the largest in the world). It wants a consulting presence that puts it into at least the top three.

Mr Sharman, a high flier from his earliest days as a partner at the firm, is better placed than most to help it to achieve its ambitions. He runs its worldwide marketing and has the drive to bring the consultancy division out of the back room where it has languished so far.

The only snag is that he hasn't yet decided how to do it. He has not ruled out acquisitions, but appears to favour what he loosely terms "alliances" with other consultancies.

Peat's difficulties appear to be different from those at other firms. Take Coopers, which led the thrust into management consultancy among UK firms.

Maturity brought its problems: in the past two years its growth has slowed relative to the rest of the market. Outsiders hint darkly at profitability problems, and there has now been a complete restructuring which has put the operation under the control of Mr Peter

Allen, the firm's managing partner, leaving Mr Miller on the sidelines.

Mr Brandon Gough, Coopers' chairman and the man who more than any other set the accountancy business alight with his opportunistic and well-timed move into consultancy, is now philosophical about what went wrong.

Coopers saw consultancy as an interesting sideline but failed to spot what would happen when it became a major (if not the major) driving force in the firm.

Without a full range of professional services, small firms risk losing clients to larger competition

"We are now over the hump of worrying about whether the consultancy is too big. We have gone through a period of heart-searching and introspection about whether we can live with a large consultancy practice like this."

That is a luxury that Mr Sharman at Peat would welcome at the moment.

SMALL accountancy firms without the resources to develop into management con-

sultancy may feel grateful that they do not face such obstacles. On the other hand, they may feel exposed: without a full range of professional services, they risk losing clients to the larger and more diversified competition.

Enter Robert Jenkins (Holdings) Ltd, a metal-basher from Rotherham in Yorkshire. This is the latest company, and the most unlikely to date, to have spotted that there is considerable scope in selling management consultancy services to the clients of small accountancy firms.

At its best, this type of subcontracting works well for both parties. The accountants make money on the side offering skilled services without facing hefty investment and management effort.

At its worst, though, it could lead to a loss of goodwill if things go wrong: the accountant has no control over the quality of services offered to his clients.

Jenkins is a long-established heavy engineering company which took a battering in the recession. It has now given up manufacturing boilers and moved into more romantic articles like graphite heat exchangers and steel heads for pressurised containers. Part of its diversification has taken it into management consultancy.

"By design, we have an excess of management

resources," says Mr Jeremy Hibbert, a chartered accountant brought in last October to spearhead moves into management consultancy and (another unlikely thrust) tourism. The surplus capacity is now being made available to accountancy firms.

The management team is led by Mr Graham Smith, who has steered Jenkins' recovery from its low point in 1984. He describes himself in his cv as someone with experience of "troubleshooting on a large scale" (like Mr Sharman at Peat Marwick, perhaps).

The rest of the management bring in skills ranging from computerisation, marketing and engineering (chemical, mechanical and environmental) to profit improvement - learnt during the company's own harder moments.

The company has made its top people available to act as consultants by strengthening its management team at lower levels, freeing up Mr Smith and his colleagues. It is now targeting small accountancy firms around the country and reports considerable interest from its initial marketing.

A FURTHER potential area of diversification for accountancy firms was hinted at last month with the government's green paper on the future of the legal profession. Mergers between lawyers

and accountants? Not likely - but more lawyers will probably be drawn into the accountancy profession if the Government carries through its plans.

Mr Alan Dyer, senior partner of Neville Russell, one of the 20 leading accountancy firms, is among those who would like to be able to take lawyers into his partnership.


He points to two areas where clients (and his firm) would benefit on corporate transactions, where staff lawyers could do much of the technical legal work involved with, say, a management buy-out, and in drawing up wills and trust deeds for personal clients, who currently pay more than they need to for these services because of the need to employ an independent legal firm.

Mr Hugh Aldous, managing partner of Robson Rhodes, another of the largest firms, agrees. "We initiate a lot of transactions here. We ought to be able to complete the transactions as well," he says.


Accountancy firms have absorbed a range of professionals over the past few years and are now developing an appetite for lawyers as well. But it will all happen behind the scenes.

"It will be five years before anyone notices the difference," predicts Mr Dyer. Leaving aside the big commercial firms, how strong will the independent legal profession be by then?

ACCOUNTANCY APPOINTMENTS



AFC NISSAN



NISSAN

DEALERSHIP ACCOUNTANTS

Automotive and Financial Group Ltd., is the retailing arm of Nissan U.K. Ltd., and is the largest car retailer in Europe.

Due to the continuing success of the Nissan franchise in the U.K., AFC's dealer network is expanding rapidly and vacancies exist for dealership accountants throughout the U.K.

These posts require accountants to establish and maintain the complete range of controls and procedures necessary to produce regular management information, monthly management accounts and statutory accounts at year end.

The role is 'hands-on' and preference will be given to candidates able to demonstrate computer literacy and experience of operating to strict deadlines.

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Please forward a full curriculum vitae to Sarah Healey, Nissan U.K. Ltd., Nissan House, Columbia Drive, Worthing, West Sussex, BN13 3HD. No Employment Agencies need reply.

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SW London package to £60,000

Our client, a high volume wholesale distribution business has an exceptional record of sustained, profitable growth.

This is the senior financial management position in the company and appointment to the board can be anticipated shortly.

The role demands a substantial contribution to the commercial direction and future strategy of the company as well as the continuing improvement of internal management systems.

Candidates should be chartered accountants with a strong track record to financial director level within an aggressively expanding company.

Please send brief personal and career details, in confidence, to Douglas G Mizon quoting reference F319/M.

Ernst & Whinney
Executive Recruitment Services
Becker House, 11 Lambeth Palace Road, London SE1 7EU.

Young Finance Director (Designate)

Central London **£50,000 + Options + Car**

An outstanding opportunity has arisen for an exceptional young accountant to join a rapidly expanding entrepreneurial group in the marketing services sector. With an impressive growth record to date this publicly quoted company is committed to substantial expansion through acquisition and organic growth.

Considerable emphasis is put on the timely provision of accurate financial management information. This will be a key task for the successful candidate, who will demonstrate the ability to closely monitor the financial performance of all the subsidiaries within the Group and implement or improve systems where necessary. First class technical accounting and systems development skills are essential, while a high level of intelligence will be necessary to keep pace with the other members of the young dynamic management team. Acquisition evaluations and other ad hoc projects will also form a part of this demanding role.

Candidates should be graduate accountants, aged 28-35 with a record of high achievement in the services sector. Authority, diplomacy and commitment, in addition to effective communication skills, are essential. This group is at an early stage of development ensuring excellent prospects for further career progression. The salary package will be flexible for the right candidate.

Interested applicants should write enclosing a comprehensive Curriculum Vitae and daytime telephone number, quoting Ref: 300, to Philip Rice, MA, ACA, Whitehead Rice, 295 Regent Street, London W1R 6JH. Tel: 01-637 8736.

Whitehead Rice

MANAGEMENT SELECTION

Group Financial Accountant

LONDON, c.£37,500 + CAR + BONUS

Our client is a multi-billion pound turnover national and international communications Group. Currently undergoing a period of major change, growth and development, the Group is now re-shaping and strengthening its finance function thus creating an opportunity for a first-class, finance professional.

As Group Financial Accountant with a staff of twelve, your primary responsibilities will be the consolidation of Group accounts ensuring they provide a true and fair view of the Group's results and meet national and international reporting requirements. You will also play a key role in the analytical review of the Group's financial results and the recommendation of appropriate accounting policies.

A Chartered Accountant, probably in your thirties, your career to date is likely to have been within a 'big eight firm', if you have already left the profession, your post qualification experience should have included a Group accounting function in a medium to large size organisation. You must be fully conversant with the consolidation and reporting procedures of major plc's and have broad experience of the financial accounting function in complex Groups. To ensure success in this role you should demonstrate both technical ability and commercial awareness together with a strong analytical approach.

This is a high profile role and therefore future career prospects within the Group are excellent and could include further opportunities within Group Finance or a move to divisional line management.

Relevant places, including a daytime telephone number and current remuneration package, to Ann Shepherd, Ref AS973, Coopers & Lybrand Executive Resourcing Limited, Shelley House, 3 Noble Street, London EC2V 7DQ.

Executive Resourcing **Coopers & Lybrand**

CJA RECRUITMENT CONSULTANTS GROUP

3 London Wall Buildings, London Wall, London EC2M 5JQ
Tel: 01-588 3588 or 01-588 3576
Telex No. 887974 Fax No. 01-256 8501

Rapidly expanding UK Bank offers excellent opportunity for an accountant, situated to working in an international environment

ASSISTANT FINANCIAL CONTROLLER BANKING

£26,000-£32,000 + CAR

UK BANKING ARM OF ONE OF THE LEADING JAPANESE SECURITIES COMPANIES

Due to the internal promotion of the present accountant to the treasury function, we invite applications from accountants, ACA qualified, aged 25 plus, who must have had at least 2 years' post qualification experience which will have been gained either within the profession dealing with the finance sector or with a financial services company. The selected candidate, who will report to and work closely with the Financial Controller, will have wide ranging responsibilities for the effective day-to-day control and running of an active and expanding accounts and control function. As well as motivating a small team there will be a number of varied and interesting ad hoc projects associated with a bank established during the last three years. Essential qualities are a high level of motivation, an eye for detail as well as the commercial approach required to make a significant contribution to the development of the Bank. Initial salary negotiable £26,000-£32,000 + car, non-contributory pension, free life assurance and medical schemes and other banking benefits. Applications in strict confidence under reference AFC21878/FT will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJA.

3 LONDON WALL BUILDINGS, LONDON WALL, LONDON EC2M 5JQ. TELEPHONE 01-588 3588 or 01-588 3576. TELEFAX 887974. FAX 01-256 8501.

CORPORATE FINANCE

Young Accountant

City **To £24,000 + Mortgage + Profit share + Car**

This Internationally respected UK investment bank has offices in Europe, USA, Australia and the Far East. They now seek a young qualified accountant to join their expanding Corporate Finance department, whose clients include major Blue Chip organisations as well as smaller companies experiencing rapid growth.

Operating within a young dynamic team, the position offers unrivalled experience and variety, providing high level financial advice on business deals around the world, including:-

- ▲ MERGERS
- ▲ ACQUISITIONS
- ▲ FLOTATIONS
- ▲ MANAGEMENT BUY-OUTS.

A wide range of career options, including financial control, senior management positions in the UK or overseas and broking will be available within the medium-term. Young ACA's (or ACMA's/JACA's with some financial services experience), seeking a move into the City should call Andrew Livesey.

ALDERWICK PEACHELL AND PARTNERS, Financial and Accountancy Recruitment, 126 High Holborn, London WC1V 6QA. Tel: 01-404 3155.

Alderwick Peachell
PARTNERS LTD

European Financial Controller

to £40,000 + car

This multi-divisional, high-tech US Electronics Group requires an accountant with the international experience and management skills to organise, develop and manage their finance management resources across Europe as the divisions expand into an increasing number of European national markets.

The requirement is to provide, on a Pan-European scale, timely and accurate management reporting, financial analysis and financial planning into the field and to Corporate US Headquarters, the development of PC based systems and extension of worldwide accounting and reporting packages; timely compliance with SEC and local statutory requirements and management of the international tax situation.

American corporate exposure and experience of applying creative, practical solutions to ongoing and developing issues in a multi-country situation are essential. The position will be based in the M4 corridor and will involve some international travel of short stay duration.

Please apply in confidence quoting reference E1571a:

Adrian Edgell
Mason & Nurse Associates
5a Station Road, Egham
Surrey TW20 9LD. Tel: 0784 71255
Offices in London Birmingham and Egham.

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Tel: 01 936 3311 (24 hr)
quoting ref. FT1 (qual)
FT2 (part-qual)

FT Partnership

FINANCIAL ACCOUNTANT To £27,000 + CAR

To manage the entire Financial Accounting area. It is envisaged you will play a major role in the introduction of new systems and in the ongoing review of all systems.

Send full C.V. to: Michael Price
Executive Search Division
Hynes Associates, Wells House, 77-79 Wells Street, London W1.
Tel: 680-5522 Fax: 328-1107

Financial Controller

Harrow

c.£35,000 + benefits

Our client is a highly successful plc which has recently been acquired by a major British conglomerate. With a turnover in excess of £100 million, they operate as an autonomous business, designing, constructing, commissioning and maintaining all building services (HVAC and electrical installations) for major building projects.

Reporting to the Group Finance Director, you will have a demanding role. Key responsibilities will include coordinating the divisional finance function, managing the development of accounting systems across the Group and providing financial and management information for strategic planning.

You will be a Qualified Accountant with good financial skills and strong management abilities. A background in construction or engineering would be advantageous. Good communication skills are essential.

The remuneration package will include company car, private medical scheme and profit-related bonus.

Please send full personal and career details in confidence to Alison Hawley, quoting reference 5213/FT on both envelope and letter.

Deloitte Haskins + Sells

Management Consultancy Division
PO. Box 198, Hillgate House, 28 Old Bailey, London EC4M 7PL

ACCOUNTANTS

Guardian Royal Exchange is one of this Country's largest and most successful composite Insurance Companies.

As a result of the reorganisation of our Head Office Finance function, a number of vacancies exist for qualified Accountants with appropriate experience based at Ipswich.

CONSOLIDATION ACCOUNTANT to be part of a specialised team involved in the preparation of the consolidated financial accounts of the GRE Group. The successful applicant will also be expected to play an active part in the development of existing procedures.

VAT ACCOUNTANT to assist and, where necessary, deputise for the VAT Controller in all aspects of VAT arising from GRE Group Activities. The successful applicant will either have extensive practical experience or possess an accounting or legal qualification and have a good basic understanding of VAT.

MANAGEMENT ACCOUNTANT to join a Head Office team which reviews the financial information provided to the centre by operating units around the world. The successful applicant will be required to play an active role in the development of existing reporting procedures.

Salaries will be within the range of £18,000-£22,256, together with the usual benefits associated with a major insurance company, which include 34.75 hour week with flexible working hours; Subsidised Restaurant; Non-contributory Pension and Life Assurance Scheme; Free Car Parking; Sports and Social Club; Subsidised Mortgage Arrangements; Relocation assistance in appropriate cases.

Please write or telephone for an application form to:
Mrs I Siddall, Personnel Officer,
GUARDIAN ROYAL EXCHANGE PLC,
Suffolk House, Civic Drive, Ipswich IP1 2AN.
Telephone: (0473) 212422, extension 5871.

GRE is an Equal Opportunities employer. No job applicant or employee is discriminated against on the grounds of sex, marital status, disability, religion, race, colour, nationality or ethnic origin.

LOOKING FOR A FRESH PERSPECTIVE IN 1989?



FINANCIAL CONTROLLER circa £35,000 LONDON

Our client operates an industry-wide pension scheme for the Electricity Supply Industry in England and Wales. The Scheme is the second largest in the UK with over 200,000 members, operating in international investment markets and shortly to move to a unified basis of financial accounting, relating to the fifteen plc's to be formed on privatisation. The dramatic impact of such changes has created an exciting opportunity for a Financial Controller.

The ideal candidate will be aged 28 - 35 and a graduate Chartered Accountant. Candidates must demonstrate extensive knowledge of the accounting and financial requirements to set up and operate a unit trust, and the implication of taxation changes on an approved gross exempt pension scheme. This experience may have been acquired in a financial institution or in professional practice. The appointed candidate will be self-motivated and innovative, with the personal stature to command respect at all levels of management and to deal effectively with outside agencies and the Management of the Scheme's fifteen "unit holders."

ESPS

ELECTRICITY SUPPLY PENSION SCHEME

Applications will be treated in strict confidence. Please reply in writing with full c.v. including current salary details to:
Ref 1024, Telfords Yard, 6-8 The Highway, London E1.

Finance Director (designate)

Southern Home Counties

c.£35,000 plus profit share, car and benefits.

Our client is one of the UK's leading distributors of garden products to garden centres. The Group has established a reputation for service and efficiency which has allowed it to build up a turnover approaching £30m. The Group is currently privately owned, has grown by a combination of organic growth and acquisition, and is highly profitable.

The Group now needs a Finance Director (designate) to take responsibility for all accounting matters. The Finance Department is currently running in a highly effective manner, utilising mini and micro systems; continual DP enhancement is a feature of the Group and tight controls are fundamental to the Group's success.

You should be a qualified accountant, aged early 30's, with a commercial outlook, and keen to be a member of a team which could take the Group to market within five years. You should be comfortable with multi-site operations.

Please reply in confidence, giving concise career and salary details and a daytime telephone number, and quoting reference 1578 to Geoffrey Rutland ACA ATIL, at the address below, or call him on 01-583 3303 (office) or 01-878 8395 (home).

BDO BINDER HAMLYN

BDO Binder Hamlyn
Management Consultants
8 St. Bride Street
London EC4A 4DA

KPMG Peat Marwick McLintock
Executive Selection and Search
7 Tib Lane, Manchester, M2 6DS

ASSISTANT TREASURER

£25K to £30K + Car

We are seeking a young Treasury professional interested in a career move to a position where he/she will provide the first level of management within the Group Treasury function of one of Europe's largest construction and property development companies.

Based at the Hammersmith Head Office, you will be involved in the arranging of individual borrowing facilities, the supervision of borrowing and foreign exchange transactions and the operation of internal borrowing controls. You are also likely to find yourself involved in interface with the varied commercial activities of the Group's operating divisions.

Probably aged 25 to 30 you must be a graduate and/or be professionally qualified. Preference will be given to those who have passed the ACT examinations or are in the process of doing so.

Applications with CV's to Gordon Hayman, Manager of Personnel and Industrial Relations, George Wimpey PLC, Hammersmith Grove, London W6 7EN.

WIMPEY

Handwritten note: 10/11/89

**YOUNG QUALIFIED ACCOUNTANTS
BASED: SURREY
To: £27K + CAR + TRAVEL**

**HOW'S THE VIEW
FROM YOUR OFFICE?**

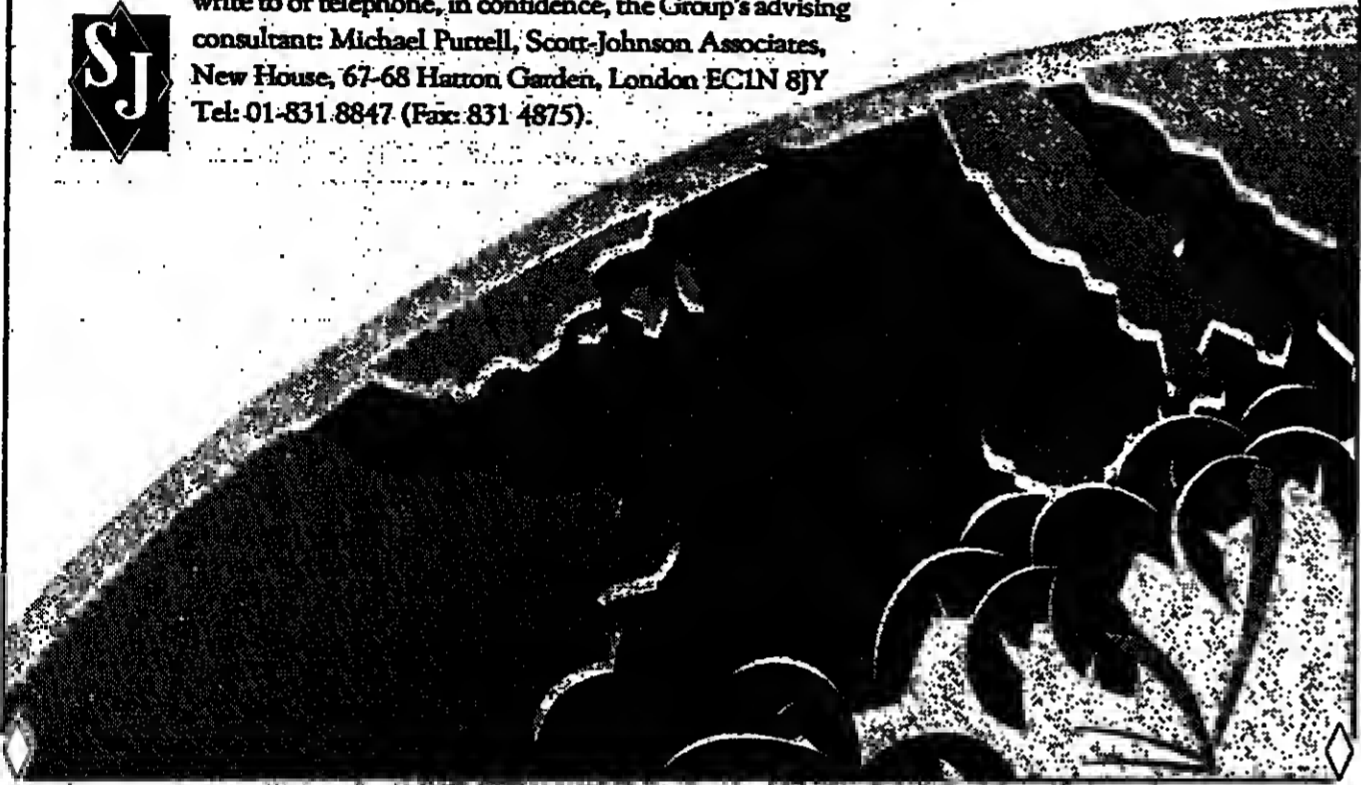
No matter how impressive your current office environment, can it really compare with sitting pretty, 30,000 feet above Europe, the Far East or Africa?

This multi-disciplined British manufacturing and marketing group has a global presence and an annual turn-over of £2½ billion. Where else could you find such scope for your career?

They're looking for qualified accountants to join a small, high-achieving team based at their Corporate Headquarters but spending 50-70% of the time travelling on an international scale.

With responsibilities as diverse as profitability analysis, acquisition studies and management control and review, you'll gain considerable commercial exposure within the group as a whole. The salary is negotiable to £27,000, depending on age and experience. For those who display initiative and vitality, prospects both at home and abroad are truly outstanding.

Those interested in this unique opportunity should write to or telephone, in confidence, the Group's advising consultant: Michael Purcell, Scott-Johnson Associates, New House, 67-68 Hatton Garden, London EC1N 8JY. Tel: 01-831 8847 (Fax: 831 4875).



ASSISTANT TAX MANAGER

OIL & GAS LONDON

Occidental Petroleum (Oxy) is a major US based energy corporation employing some 61,000 people worldwide and with annual revenue in excess of 19 billion dollars.

Our London based Taxation Department needs strengthening by the early appointment of an Assistant Tax Manager who will make a significant contribution to the Company's UK affairs.

Working largely on his/her initiative in a constantly changing and evolving environment, the person appointed will assume a broad range of responsibility which centres on establishing and maintaining PRT compliance policy for approval by the company's consortium tax partners and the subsequent submission of returns to the Inland Revenue. Other involvement will include acting in an advisory capacity with regard to other areas of taxation and representing Oxy on

professional bodies as appropriate. Candidates must be fully qualified accountants, have a good general tax background and at least two years directly relevant tax experience in the oil and gas industry. Strong communicators with a proven track record of identifying trends and opportunities and taking positive action to capitalise on them, applicants will be given every opportunity to use their innovative thinking and expertise within a progressive organisation.

The salary and benefits offered are most attractive and reflect the importance of the position.

Please send full career details to:

**CLYDE SORRELL,
EMPLOYEE RELATIONS DEPT.,
OCCIDENTAL INTERNATIONAL
OIL INC.,
16 PALACE STREET,
LONDON SW1E 5BQ.**



YOUNG ACCOUNTANT

management information and business appraisal

£25,000 + car

A prestigious public company with interests in high quality publishing, finance and manufacturing businesses; our client is generating impressive growth in the UK and internationally.

As a member of the small London-based headquarters team, the accountant will make an important contribution to group financial management. Reviewing and analysing information from a portfolio of subsidiaries he or she will participate in a range of financial and commercial tasks, including acquisition appraisals. The exposure within the organisation will provide excellent prospects as demonstrated by the promotion of the previous incumbent.

In their mid 20s, applicants should be qualified accountants from commerce or the profession. Good interpersonal skills are required.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/803/TF.

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-405 3499

LLOYD MANAGEMENT

FINANCIAL CONTROLLER

PROPERTY

Brighton c.£30,000 + Car

Our client, Wynote Developments PLC, is a privately controlled property development business with an established reputation based on a wide range of successful developments of a commercial nature, largely in Sussex and along the south coast.

Due to impending retirement a Financial Controller is now sought who will be responsible to the Managing Director for every aspect of accounting and financial management for the company and its two subsidiaries. Responsibilities will also extend to joint venture operations with nationally known third parties together with the financing of development proposals, the maintenance of project accounts and

extensive cash forecasting. Systems are in the process of computerisation.

Candidates must be qualified accountants, preferably chartered, with appreciable experience in the financial management of a private business, ideally in the property sector. They should have the maturity to work on their own initiative and to make a positive contribution to the business. This is a challenging role in a growing company which provides excellent scope for promotion to the board in due course.

Please write in confidence with full career and salary details, quoting reference W4251/L to John Hills.



Peat Marwick McLintock

Executive Selection and Search
70 Fleet Street, London EC4Y 1EU

**southern
electricity**

Financial Controller
Privatisation and the Management of Change

**c.£50,000 + car + benefits
Maidenhead**

Participating in the management of change, both before and after privatisation, offers a unique and exciting opportunity. In this context the role of Financial Controller will be highly visible and will also allow for considerable autonomy.

This is a senior management appointment within Southern Electricity which, with a turnover in excess of £1.2 billion, is poised to become one of the largest public companies in Southern England. Whilst electrical distribution forms the core of the business, other activities such as electrical contracting and appliance retailing contribute significantly to turnover and profits.

Reporting to the Financial Director, this new senior management appointment carries

responsibility for a team of 40 staff covering financial, statutory and management reporting, plus treasury and taxation. You will also work closely in supporting the Financial Director in maintaining contact with financial institutions, investment analysts and the Regulator.

To fulfil this role you should be a qualified accountant aged 35+. You should have at least 10 years' experience in a major integrated business or utilities organisation in a senior financial position and be familiar with treasury and taxation. Substantial staff management experience is also necessary. Experience of corporate finance and fund raising would be a distinct advantage. In personal terms you will recognise the career

development possibilities that this position can offer and be ready to contribute to the management of change necessitated by the forthcoming flotation.

Southern Electricity is situated in an attractive location close to Maidenhead. Relocation expenses will be provided where appropriate.

Candidates wishing to discuss this position in confidence may telephone Janet Stockton on 01-378 7200. CVs (which will be discussed with our client), quoting reference MCS/3016 should be sent to her at: Executive Selection Division Price Waterhouse Management Consultants No. 1 London Bridge London SE1 9QL.

Price Waterhouse



digital

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company
conducive to
initiative
and career
development."**

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When it comes to progressing a career in financial management you're sure to want to do it in style.

And how better than as an Internal Auditor with Digital, a major world force leader in computers, a company with an outlook that's as ambitious as your own?

We expect our Auditors to move fast - so as long as you are a good communicator and able to work within prescribed timescales, it's likely that you'll be in a management role within two years.

Operating within an environment that is truly international, you will travel around Europe as you carry out audits of new procedures, as well as spending six months in America and three month periods in the Far East and Australia. Working in a European Department based in the UK, your various assignments will include financial performance and operational reviews in addition to your special projects and other consultancy assignments.

Qualified to CA, ACA, ACCA or CIMA and with two to three years' experience, you will have the commercial acumen to quickly gain an in-depth understanding of our business, and the mental flexibility to find rapid solutions to situations.

Ours is a forward thinking, fast moving environment where individual advancement is positively encouraged, and opportunities to progress are unlimited.

You'll also welcome our competitive salary, and benefits package including free private medical insurance, pension, life assurance and car leasing scheme. Relocation expenses will be paid if appropriate.

Michael Page Finance has been retained to advise on this position. In the first instance please send your CV, including salary details to Teresa Stimpson at Windsor Bridge House, 1 Brocas Street, Eton, Berks SL4 6BW or contact her on 0753 856151 for an informal discussion.

Digital welcomes qualified applicants whatever their background or sex and provides an environment appropriate to the needs of the disabled.

**Digital
Equipment
Corporation**

IV

High Profile, Group Roles in Growing Commercial Environment RECENT MANAGEMENT BUY-OUT



Our client is a multinational company with a turnover of c.£175 million with a presence in 16 countries. The organisation provides a wide range of handling and processing services.

As a result of recent developments two key roles are now being resourced. Both roles will enjoy immediate exposure to the Board at Group level and will work alongside Senior Management at an operating level.

The Assistant Controller will be responsible for key aspects of Group Accounting, and will additionally be involved in financial and commercial problems and developments at an operating level (the latter will involve a limited amount of overseas travel).

A young (likely age 25-28 years) ACA or AGCA, you can expect to command a salary package of c.£25,000 plus car (the company operates a leveraged bonus scheme). You must clearly demonstrate a high calibre of technical, commercial and personal qualities.

The Group Internal Audit Manager will establish and develop the new Internal Audit function (this service was originally

provided at a high quality level by the previous parent). Reporting to the Finance Director there will be a reasonable travel element (40-50%), particularly to Europe and South America.

A qualified Accountant, with several years of post-qualification experience, ideally aged 29-33 years, you will be able to command a salary package of up to £33,000 p.a. plus car (again a bonus scheme operates). You in turn must be able to demonstrate good previous internal audit experience, preferably multinational. Additionally an immediate presence, with strong diplomatic powers of communication, is essential.

The international nature of this environment would make a 2nd European language advantageous for both individuals.

Individuals who feel that they could respond to either of the above challenges should contact Karen Wilson on 01-491 3451 (0895 633429 in the evenings/weekends) or write to her at FMS, 14 Cork Street, London W1X 1PF enclosing a recent CV and a note of current salary.

FMS

Search and Selection Specialists
for
Financial Management

Accountants ♦ Analysts ♦ Operations Managers Work with Derivative Products Up to £35,000 + Banking Benefits

Our client, a highly successful US Investment Bank, has built an excellent reputation in the Swaps and Options markets based on an innovative approach and high calibre people.

Due to internal promotion, they are currently looking for bright, highly motivated managers with good technical skills and preferably derivative products knowledge for three key roles:

SWAPS ANALYST c.£30,000

Leading a small dedicated team you will be expected to support eleven traders providing information on risk, profitability, accounting policy and controlling exposure across the entire product portfolio.

Good PC skills are essential, while swaps accounting knowledge would be a significant advantage.

These positions offer an unusual degree of involvement with front line traders and management teams to ensure the continued progression of aggressive business plans. They also provide superb opportunities for career development.

Candidates interested in any of these positions should contact Suzie Mummé on 01-248 3653 (or 01-673 2549 evenings/weekends), or write, sending a detailed CV to the address below or use our confidential fax line on 01-248 2814. All applications will be treated in the strictest confidence.

76, Watling Street, London EC4M 9BJ

BBM

Tel: 01-248 3653

ASSOCIATES

CONSULTANTS IN RECRUITMENT

SYSTEMS ACCOUNTANT

City

Salary c.£30,000
Company Car +
Large company benefits

A leading player in the telecommunications sector at the forefront of technological change, offers an excellent opportunity to a systems professional combining technical expertise with commercial flair.

Responsibilities will be hands-on, in a high profile role. Emphasis centres on spearheading the implementation of major new financial systems to achieve maximum efficiency, significantly contributing to business objectives. An effective communicator is required to interface with line management at all levels and the corporate systems function.

Our client has demonstrated vigorous growth and a competitive edge in their hi-tech market, current turnover in excess of £100m. Ideally a qualified accountant, aged 28-35, you will have a successful track record implementing sophisticated software in a substantial commercial organisation.

Candidates with career aspirations to match this superb opportunity should write briefly enclosing a CV or telephone for a personal history form quoting ref. 5235 to Kiran Cartner, Consultant - Industry & Commerce.



RECRUITMENT SELECTION & ADVERTISING
EXECUTIVE CONNECTIONS

43 Eagle Street
London WC1R 4AP Tel: 01-242 8103

finance director

£35K + CAR
+ OPTIONS

LONDON WC1
**REUTER
SIMKIN**

Reuter Simkin is a fast-growing recruitment services group. The company is purposefully managed and highly profitable.

The company is seeking to appoint a Finance Director to take responsibility for the day-to-day operations of the Finance Department and also to contribute to strategic development.

Suitable applicants will be qualified accountants, aged 30-40, with career experience in the profession or a service industry. Applications should be made to Christopher A. Elliott, Reuter Simkin Limited, Recruitment Consultants, 26-28 Bedford Row, London WC1R 4HE. Telephone 01-405 6852.

MANAGER ADMINISTRATION & ACCOUNTING - PORTFOLIO MANAGEMENT

£18,000 - £25,000 PLUS BONUS

Qualified or part qualified professional between 25 and 35 years of age to be responsible for all administrative, accounting and certain investment functions of an expanding portfolio management company engaged in global asset management.

Experience from the investment management industry would be desirable. The ideal candidate will play a key role within a small team. Salary and benefits of £18,000 - £25,000 plus bonus depending on experience. London Mayfair location.

Please apply enclosing curriculum vitae to:
Box A1148, Financial Times, 10 Cannon Street,
London EC4P 4BY



General Education Limited

Financial Controller
Guildford c. £24,000 + Car

General Education is a young, rapidly expanding Company with a turnover approaching £1m. The Company provides a wide range of Educational and Training Services.

We are looking for an enthusiastic, energetic and determined qualified accountant with at least 4 years commercial experience. The successful applicant will control the accounts function of the Company and be responsible for taking the Company forward with a view to flotation in the medium term.

Please write, enclosing a detailed C.V., to:
Jane Chesterman, Director, General Education Ltd,
53 Woodbridge Road, Guildford, Surrey GU1 4RF.

Two Exceptional Accountancy Opportunities

FINANCIAL SERVICES SECTOR BENEFITS

RoyScot Drive is the Contract Hire and Fleet Maintenance arm of The RoyScot Finance Group, the major full service finance house of The Royal Bank of Scotland Group plc.

With a Head Office based at Southgate, the Company has branch offices at Manchester, Wolverhampton, Bristol and Southgate. During the last twelve months significant growth has been achieved in this established and buoyant business sector.

Financial Controller -

Based at Southgate and reporting to the Managing Director the Financial Controller will be directly responsible for an Operations Accountant, a Financial Accountant and a Project Accountant. This is a key position with prospects of a Board appointment. The successful applicant will be qualified with at least five years post qualification commercial experience, able to demonstrate sound commercial judgement combined with analytical skills and sufficient stature to contribute to the Company's future development plans.

Operations Accountant -

Reporting to the Financial Controller and based at Southgate, the Operations Accountant will be responsible for management information, cash management, sales, purchase and general ledgers as well as statutory returns. The post requires a practical and preferably qualified accountant able to lead a small team and develop the financial controls and procedures demanded in a growing business environment.

Both posts carry very attractive remuneration packages including mortgage subsidy schemes, profit sharing, company cars, non-contributory pensions and private health insurance.

Please write including essential details of age, experience, qualifications and current salary to:
PRH Preston - Personnel, RoyScot Finance Group,
RoyScot House, The Promenade, Cheltenham,
Gloucestershire, GL50 1PL.

RoyScot Finance Group

INTERNAL AUDITORS

£ negotiable + Car + Benefits

The Group has an annual turnover of circa £1 billion and has achieved substantial profit growth (63% higher in the first half of 1988 compared with 1987). Our primary business is currently in the motor trade (both here and in France) but we have an ambitious manifesto to further our distribution and retailing activities into other industries and countries.

We are in the process of strengthening our internal audit department and developing its role within the Group, to place greater emphasis upon its operational and analytical review functions. In addition to its audit responsibilities the department also undertakes ad hoc special assignments and investigations.

We require three capable and enthusiastic Chartered Accountants to assist in the development of the internal audit department. The individuals should have good communication skills, with auditing experience in the retailing and distribution sector, probably while with one of the 'Big Eight' firms. The work includes a significant amount of travel within the UK and occasionally abroad. The internal audit department is based near Forton with but we are seeking auditors to be located around London and the Home Counties. Career opportunities are excellent, with prospects of line management roles within the Group in 2 to 3 years. Fluency in French or other European language would be an advantage.

If you consider you are appropriately qualified and are in the age range 26-30 please write enclosing a detailed CV (including salary) to:

Paul M. Wilding, Internal Audit Manager,
Wansley House, Hambleton Road,
Waterlooville, Hants PO2 7TY.

**TOZER
KEMSLEY &
MILLBOURN
(HOLDINGS) plc**

Financial Controller

Autonomous
Subsidiary Of A
European Company

North Cheshire
c £25,000, Car,
Benefits

Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, GLASGOW, LEEDS, LONDON,
MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD and WINDSOR
A Member of Blue Arrow plc

One of the leading suppliers of advanced technology machine tools, this company with a reputation for quality and service has grown turnover to more than £13m in five years. The outlook is for continuing expansion through extended business activities and increased market penetration. Reporting to the managing director (UK), this post carries full responsibility for financial management and reporting, short and medium term planning, contractual terms, treasury, MIS and a number of secretarial duties. Candidates, probably aged 30-40, will be qualified accountants with experience of maintaining tight controls in a fast moving environment. Previous involvement with banking relationships and an understanding of currency implications will be distinct advantages. This demanding role presents the opportunity to make a significant contribution to the continuing success of the company.

C. Vaughan, Ref: M18047/FT. Male or female candidates should telephone in confidence for a Personal History Form, 061-832 3500, Fax: 061-834 8577, Hoggett Bowers plc, St. James's Court, 30 Brown Street, MANCHESTER, M2 2JF.

GROUP ACCOUNTANT

Central London To £28,000 + Car + Benefits

The Group has an annual turnover of circa £1 billion and has achieved substantial profit growth (63% higher in the first half of 1988 compared with 1987). Our primary business is currently in the motor trade (both here and in France) but we have an ambitious manifesto to further our distribution and retailing activities into other industries and countries.

We need a capable accountant, probably Chartered, to play a key role as part of a small head office finance team, assisting in the preparation of Group board reports, consolidations and budgets. The role also involves the analytical review of the Group's businesses and undertaking special projects, including acquisition and investigation work, as they arise. Some travel within the UK and abroad will be necessary and career opportunities within the Group are excellent. The individual should be enthusiastic, with strong technical and communication skills, and have 3 to 5 years' post qualification experience within the profession or in industry.

If you consider you are appropriately qualified and are in the age range 26-30 please write enclosing a detailed CV (including salary) to:

Gary H. Raymond ACA at 1 Lygon Place,
Ebony Street, London SW1W 0JH.

**TOZER
KEMSLEY &
MILLBOURN
(HOLDINGS) plc**

10/11/89

Director of Tax

City

c.£90,000 + benefits

Our client is one of the largest securities firms in the world. It provides a full range of wholesale and private client banking and securities services in the UK and Europe.

Reporting to the Chief Financial Officer in London and liaising closely with the Director of Tax in New York, you will take full responsibility for the tax function in the UK and Europe. Key elements of the role include international and local tax planning, close involvement in the development of existing and new business products and overseeing tax accounting and compliance work.

You will be a senior taxation professional, probably a qualified accountant or legally qualified with an accounting background, with a proven flair for applying tax principles to major international operations. A background in the financial services

sector is not essential. Strong communication skills and a proactive approach are required for this demanding role.

The remuneration package will combine salary and substantial executive bonus. In addition you will receive a full range of benefits including quality car, pension and medical scheme. Sufficient flexibility exists to reward the outstanding candidate.

Please send full personal and career details in confidence to Alison Hawley, quoting reference 5215/RT on both envelope and letter.

**Deloitte
Haskins + Sells**

Management Consultancy Division
P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

Management Accountant Financial Planning

Reading

To £26,000 + Benefits

Yellow Pages is a £multi-million business with an extensive range of published and electronic products that make it the acknowledged leader in its specialist field. This 600 strong company is characterised by innovation, success and dynamic growth.

This is a new post, created as a result of the rapid expansion of our core business and additional peripheral activities. You will have overall responsibility for enhancing the quality of Management Accounting at Yellow Pages, with the support of a small team which you will build around you. Particular emphasis will be placed on improving the interpretation, evaluation and presentation of financial information, through the detailed analysis of budgets and plans and the use of financial models to aid forecasting.

In addition, importance will be placed on the use of variance analysis to support budget submissions and to predict trends.

Ideally you should be a Qualified Accountant with 2 years or more post-qualification commercial experience. Hands-on experience of

computer-based accounting and financial planning systems is essential.

You should possess strong interpersonal skills as this role will demand close liaison with managers throughout the company.

In return for your experience and ability, an attractive package is on offer, together with real potential for career advancement and the opportunity to make a significant contribution to the business.

Please write with a full CV to Mrs. S. Kelloway, Recruitment Manager, Yellow Pages, Queens Walk, Reading RG1 7PT, or call her on 0734 506811.

We are an equal opportunity employer.



MANAGER INTERNAL AUDIT

WEST MIDLANDS

CIRCA £30,000 + CAR AND COMPREHENSIVE BENEFIT PACKAGE

The appointment of Manager - Internal Audit is a newly created position within a major division of a multi-national engineering group. The successful applicant, who will be responsible to the Finance Director, will be required to re-organise, strengthen and manage the internal audit operations. Nearly half the turnover of the division arises in overseas territories some of which have internal audit functions which will be managed from the UK, other territories will be reviewed by the UK audit team.

Applicants should be at least 30 years of age and be professionally qualified accountants - preferably with industrial experience. They should also be self-motivated, have an analytical aptitude and a proven ability to communicate at all levels in a clear, logical and convincing manner.

This is an ideal opportunity for a mature professional to gain valuable management experience which can lead to career progression into a senior line management role within the Group.

Interested candidates should send full career and personal details to Ken Muir, Bernard Hodes Overton Limited, Monaco House, Bristol Street, Birmingham B5 7AS or telephone 021-622 3338 for an application form quoting reference 13/10602.

BERNARD HODES · OVERTON
MANAGEMENT SELECTION • EXECUTIVE SEARCH

FINANCIAL ANALYSIS AND PLANNING

quoted property development group
c£30,000 + car

With new management at the helm and one of London's most significant property development schemes in hand our client is poised to make a major impact in the 1990s.

In order to support the growth of the group a new position has been created for an ambitious qualified accountant aged 26-30 preferably with previous property experience to prepare forecasts, plans and Boardroom information. You will work closely with the other members of the team involved on the major project controlling costs and profitability through the use of a sophisticated computerised model from the detailed planning stage through to completion.

The group is actively examining other development schemes and the longer term prospects will be linked to the success in this role and the anticipated expansion of the group's interests.

Please write, enclosing career/salary history and daytime telephone number to John P. Sleight FCCA quoting reference 1/804/FF.

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-405 3499

Finance Manager

A Creative Role Within Fund Management

Central London

£30,000 + Profit Share

With an innovative approach to global portfolio design, this recently established Fund Management company already has substantial international interests. With impressive plans already well underway for rapid growth, both organically and through acquisition, they are emerging as a major player in this exciting market.

As a result, a qualified accountant is sought, aged 28-36, to play a crucial role in determining the future direction of the company and, reporting to the Financial Director, to take major responsibility for the finance function. This is a management role in which you will become involved in a broad range of accounting and business issues. Therefore a

high degree of computer literacy is essential, along with previous experience within a financial institution; specific involvement in fund management and off-balance sheet transactions would be a significant advantage.

They seek a dedicated professional with administrative flair and the ability to "make things happen". This is an integral role reporting directly to the Board, offering growth potential up to Board Director level, and therefore an ideal opportunity for anyone looking to make an individual contribution within a dynamic new operation.

For further details, please telephone Maxine Lester on 01-638 1711 or write to her enclosing full career details.



LONDON 46 MOORGATE, LONDON EC2R 6EL TEL: 01-638 1711 CRAWLEY

TAXATION ACCOUNTANTS

Guardian Royal Exchange is one of this Country's largest and most successful composite Insurance Companies.

As a result of the reorganisation of Group Head Office, two vacancies arise for qualified accountants in the Taxation Department at our Ipswich head office.

ASSISTANT TAXATION MANAGER to be responsible to the Manager, Taxation Department for all aspects of the UK Corporate Taxation of certain Group Companies. He/she will also be involved with special projects, particularly with regard to new business ventures.

Applicants for this position should be qualified accountants, possibly also members of the Institute of Taxation, with a detailed knowledge of general UK corporate taxation. A knowledge of insurance taxation would be desirable but not essential. Salary negotiable in the range of £21,000-£27,000, plus car and other benefits.

TAXATION ACCOUNTANT to be responsible to an Assistant Taxation Manager for the preparation, submission and agreement of UK and/or Overseas tax computations for certain Group companies. He/she will also assist in advising on the taxation aspects of new business ventures.

Applicants for this position should be qualified accountants or members of the Institute of Taxation. A knowledge of insurance taxation is not essential, but the successful candidate should be keen to acquire these specialist skills. Salary negotiable in the range £15,000-£20,000 plus benefits.

Benefits include: 34.75 hour week; Subsidised Restaurant; Non-contributory Pension and Life Assurance Scheme; Free Car Parking; Sports and Social Club; Subsidised Mortgage Arrangements; Relocation assistance in appropriate cases.



Please write or telephone for an application form to: Mrs I Siddall, Personnel Officer, GUARDIAN ROYAL EXCHANGE PLC, Suffolk House, Civic Drive, Ipswich IP1 2AN. Telephone: (0473) 212422, extension 5871.

GRE is an Equal Opportunities employer. No job applicant or employee is discriminated against on the grounds of sex, marital status, disability, religion, race, colour, nationality or ethnic origin.

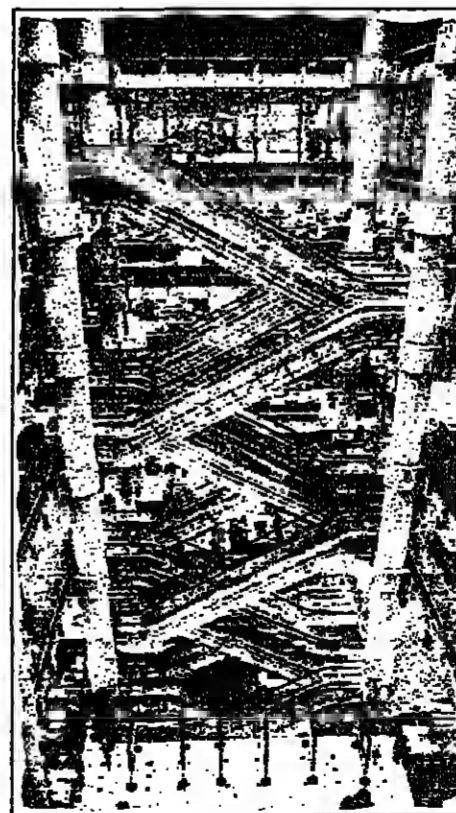
How to move up in the City

The demand from our clients in the financial services sector for high quality accountants and lawyers continues to grow.

In recognising your need for current market information and balanced advice on the range of opportunities available, we are hosting a Financial Services CAREERS SEMINAR at one of the City's leading institutions - Lloyd's of London.

We will be joined by a number of our most prestigious clients from the banking and investment areas, who will be happy to discuss the various disciplines available, on a strictly informal basis.

As the places are limited, please return the coupon as soon as possible to Brigid Healy or Tracey Roberts at Michael Page, Freepost, 39-41 Parker Street, London WC2B 5BR or contact them on 01-831 2000 or 01-404 5365 (24 hours).



- CAREERS SEMINAR**
From 6pm 1st March 1989
- S. G. Warburg Group PLC**
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- Hongkong and Shanghai Banking Corporation**
- Lloyd's of London**
- James Capel**
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- Prudential Corporation**
- Manufacturers Hanover**

A careers seminar for Accountants and Lawyers

Name _____ FREEPOST
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Date/Stage of Qualification _____
Areas of Interest _____
I wish to attend the City Careers Fair I am unable to attend but would like further careers information



International Recruitment Consultants

European Controller

THAMES VALLEY, TO £35,000 + BONUS + CAR

This is a new position to assist with the formation of a European holding company, which is to be responsible for setting up and acquiring trading subsidiaries, entering into joint ventures and establishing distribution agreements throughout Europe. As part of a multi-billion dollar US corporation, substantial resources are being devoted to this important venture in order to significantly expand the sales opportunities for its financial services software products in European markets. Growth is expected to be rapid thus promising a challenging and invigorating environment for the person appointed.

Reporting to the Chief Financial Officer, you will be largely responsible for developing the financial infrastructure and then co-ordinating and controlling the accounting, management reporting, financial controls and planning for the European operations. You will also assist in formulating financial strategies and the evaluation and subsequent integration of suitable acquisitions. Prospects for significant career development opportunities are excellent.

A qualified accountant, probably aged late 20s/early 30s, you should have experience at group or divisional level.

and ideally you will also have some knowledge of European accounting, acquisitions and business planning. Ability in another European language will be an advantage.

Résumés please, with daytime telephone number please, to Chris Howarth, Ref. CHS13, Coopers & Lybrand Executive Resourcing Limited, Shelley House, 3 Noble Street, London EC2V 7DQ.

Executive Resourcing
Coopers & Lybrand

GROUP FINANCIAL CONTROLLER

West Middlesex

Potential Remuneration
£30,000 + Bonus + Car

This international group is a substantial PLC in the engineering sector, poised to take advantage of a leaner and fitter profile and recent acquisitions.

Imminent retirement of a Senior Executive creates opportunities within the group finance structure.

The immediate requirement is for a FINANCIAL CONTROLLER at Head Office with responsibility for a range of tasks including group management accounts, budgets and forecasts, monitoring subsidiary's performance and acquisition analysis and assimilation.

Successful performance in this role would ensure that the appointed candidate is ideally placed for EARLY promotion to GROUP FINANCIAL CONTROLLER.

Candidates aged 30+ should be qualified, a graduate and have experience in an engineering/manufacturing environment. Energetic self starters, tough yet diplomatic, with good interpersonal skills would find this a challenging, exciting and rewarding opportunity.

Remuneration for the initial appointment will include a basic salary in the order of £27,500 and COMPANY CAR.

Please telephone Robin Rotherham on 01-541 5580 or write enclosing curriculum vitae and quoting reference no. 6146 to the address below.

Accountancy
OPTIONS

6-8 Thames Street, Kingston-upon-Thames,
Surrey KT1 1PE.

Hands on Commercial Opportunities Divisional Controllers

London & Home Counties

£28-33,000 + Car

Through rapid growth, acquisitions and mergers, our client has created a £250m turnover pan-European group in the software systems design and integration industry.

Recent organisation changes have resulted in a multi-divisional structure focussed on specific market sectors with an emphasis on bottom line performance and cash management. This has created a number of opportunities at a senior level for Divisional Controllers.

You will report directly to a Financial Controller, however, you will also be viewed as a key element of the divisional management teams with a significant operational responsibility to the respective Divisional Managing Directors.

The main emphasis of the role will be on the provision of financial control, business

advice and guidance to manage the division effectively and profitably.

The successful candidates will be qualified accountants, aged 28-40 with experience in at least one of the following industries - contracting, multi-site service or software computer industry. Your personal attributes will include independence (yet team spirited) a self-starter, strongly persuasive with excellent interpersonal skills, and the ability to focus on key issues quickly.

For the right people there is some flexibility in respect of the remuneration package.

Interested applicants should submit their CVs including telephone contacts to Wayne Thomas, Executive Division, Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Eton, Berkshire, SL4 6BW.

Michael Page Finance

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Deputy Group Treasurer

c.£35,000 + Bonus + Car

Our client is a major, fast-growing group with substantial businesses in the fields of broadcasting, leisure, consumer electronic products and services to the business community. Turnover exceeds £1.5 billion.

The company now seeks a Deputy Group Treasurer to continue development of the increasingly complex treasury function. Reporting to the Group Treasurer whose role encompasses other areas of the group's activities, candidates will be required to possess the skills and experience necessary to assume responsibility for all operational Treasury matters and to assist in the formulation and implementation of policy.

Key tasks will be the management of substantial funding arrangements, the development of reporting systems and furthering bank relationships.

The person sought will probably be educated to degree level, with a professional treasury or accounting qualification. At least 3 years' prior experience in a comparable treasury environment is required.

The position is located at the company's headquarters in Central London, and an attractive salary and benefits package will be offered.

If you wish to apply for this position, please write - in confidence - enclosing a CV to Douglas Austin, ref. B.7113.

MSL International

MSL International (UK) Ltd.
32 Aybrook Street, London W1M 3JL
Offices in Europe, the Americas, Australasia and Asia Pacific.

Financial Controller

London

to £30,000 + Car

Our client, a recently formed UK subsidiary of a major French industrial group, wishes to appoint a Financial Controller. They have a number of well-established operations in America and other European countries and would envisage the UK presenting significant growth opportunities.

Reporting directly to the Managing Director you will be responsible for the implementation and design of financial systems and control procedures. In addition you will be expected to contribute significantly to their corporate development strategy during a period

where successive acquisitions are envisaged. Candidates, aged 27-32, are likely to be qualified accountants with a commercial approach to business issues coupled with extremely well-developed interpersonal skills.

In addition, fluency in business French or Spanish would be preferred, but is not essential.

Interested applicants should telephone Stephen K. Banks ACMA, on 01-831 2000 or write to him at Michael Page Finance, 39-41 Parker Street, London WC2B 5LH, quoting ref. 2915.

Michael Page Finance

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

ipcmagazines

LONDON S.E.1

PUBLISHING

IPC Magazines Limited is the UK's foremost consumer magazine publisher with an annual turnover in excess of £200 million, and is a subsidiary of Reed International PLC.

Following a reorganisation the company is now recruiting two senior accountants:

FINANCIAL CONTROLLER
£27,000 + CAR + BENEFITS

HEAD OF FINANCIAL ACCOUNTS
£25,000 + CAR + BENEFITS

A Financial Controller is required for one of the Company's four autonomous publishing groups to take responsibility for the provision of financial and management information, budgeting, forecasting and operational reviews. Reporting to the Divisional Financial Controller, the new Financial Controller will be a member of the group's management executive and will work closely with the group's Managing Director.

The successful candidate will be an energetic qualified accountant aged 27-35 years with:

several years commercial experience

a thorough understanding of computer based accounting systems

strong interpersonal skills with experience of motivating staff.

Reporting to the Divisional Financial Controller, the job holder will take responsibility for control and co-ordination of the central financial accounting function servicing all areas of the Company. Working with a staff of fifty, he/she will be responsible for ensuring that financial controls are properly maintained and will develop and enhance the systems as a senior member of the finance team.

The successful candidate will be a senior accountant aged 27-40 with a track record of achievement in financial management. The role requires significant computerised accounting experience as well as developed interpersonal skills coupled with strong team management abilities.

The company offers excellent potential for career development and high job satisfaction in a fast growing, profitable publishing environment. Interested applicants should send a full C.V. to:

John Philbin,
Finance Director, IPC Magazines Ltd., King's Reach Tower, London SE1 9LS.
We are an Equal Opportunities Employer.

Financial Controller

£35,000 Package + Car

Ashton-Tate is the world leader in database products for personal computers. Sustained commitment to technical innovation has led to the development of state-of-the-art products including the recently launched dBASE IV.

Ashton-Tate is seeking a Controller to manage its finance and operations functions at its U.K. headquarters in Maidenhead. This is an outstanding opportunity for the right person to contribute at a senior management level.

The successful candidate should be well-qualified with at least 5 years experience in a multi-national environment, and adept at balancing entrepreneurial flair with the analytical approach required in addressing complex issues and business development.

The Controller will report to the UK Managing Director and will manage an expanding team of professionals. Well-demonstrated management and communication skills are essential. He or she will work closely with the European Controller to manage the growth of the company within Europe, and there will be ongoing interface with the Corporate headquarters in California. Strong systems experience is key as the company is restructuring its worldwide systems.

A quality compensation package will be offered including management bonus, car and excellent benefits. Please reply to:

ASHTON-TATE

Keith Thomas
Lansdowne Suite
Kew Bridge House, Kew Bridge Road,
Brentford, Middlesex, TW8 0EJ.
Tel: 01-568 2926 (24 hours answering.)

ACCOUNTANTS * TO £24K + CAR + BUPA

ACTIVATE INFORMATION SYSTEMS

Mercury COMMUNICATIONS

Mercury Communications is at the forefront of change in the expanding telecommunications market. It's a position which is owed in no small measure to efficient financial management.

Our prospects are such that we now require additional specialists to set up satellite groups in our Long Acre and Bromptonwood offices, with obvious opportunities for long-term advancement.


ACA, ACMA or equivalently qualified with a keen analytical mind and self-motivated approach to problem solving, you'll be relied on to develop specific methodologies for costing and profit evaluation, as well as to research and build a database for related projects.

You'll need to generate up-to-the-minute information within tight deadlines, so the ability to prioritise is important. Detailed knowledge of incremental and absorption costing techniques is an advantage.

As we continue to look forward both internally and externally, your role in the Company's future success is clearly up to you.

Write with full CV to: Julie Rowan,
Personnel Department, Mercury Communications Ltd,
90 Long Acre, London WC2E 9NP Tel: 01-528 2140.

Handwritten note: *Just in case*



International Accountant


£24,26,000 + Car + Benefits

We are the Divisional H.Q. of a decentralised, multinational corporation. With sales of c. \$500 million per annum, the Division supplies office equipment and stationary products through operations in fifteen countries and more than thirty manufacturing plants.

The financial and administrative function is led by a small team based in London and now seeks to recruit a young qualified Chartered Accountant, preferably with two years' commercial experience. The appointed candidate will be a self-starter, aged 26-32, with strong analytical abilities coupled with E.C. literacy. Knowledge and experience of US/UK GAAP would be ideal.

Based in Buckingham Gate, SW1, you will be expected to report and analyse Divisional results, review and implement management systems, consolidate quarterly results and budgets, and interpret and apply accounting policies. An amount of overseas travel will be required.

This key position will further equip the appointee for a successful career within an international environment. Interested individuals should contact Gerard Davies of Michael Page Finance on 01-831 2000 (01-367 6412 evenings and weekends) or write to him at Michael Page Finance, 39-41 Parker Street, London WC2B 5LH. Applications may be faxed on 01-831 2612.



Michael Page Finance

 International Recruitment Consultants

 London: Royal Windsor St. Albany Leatherhead Birmingham Nottingham

 Manchester Leeds Newcastle upon Tyne Glasgow & Worldwide

Group Finance Director

LEICESTERSHIRE, £34,000 + BONUS + CAR


To play a leading role in the organic and acquisitive growth of a £17 million turnover group. The group comprises three manufacturing companies, part of a major multinational group which has made funds available for a doubling of turnover in the next three years. They are currently disarray market leaders in their specialist sectors and acquisitions are likely to be targeted at companies with complementary products.

Working very closely with the Group Managing Director, you will play a key role in the planning and implementation of their acquisitive growth. This will clearly be the high priority but at the same time you will obviously be responsible for the overall financial management of the existing companies and their consolidation. The growth must be rapid but it must also be regulated and you will be the person to apply the controls.

A qualified accountant, probably aged in your late 30's or early 40's, you must be experienced in acquisitions and the associated dealings with banks and city institutions. You must have a high level of energy, strategic and business acumen and the ability to conceptualise.

Résumés please, including a daytime telephone number and indication of present salary, to Peter Jones, Coopers & Lybrand Executive Resourcing Limited, Abacus Court, 6 Minshull Street, Manchester M1 3ED, quoting reference P16A.

Executive Resourcing



Financial Controller

HOTELS GROUP - THAMES VALLEY


£30,000 +

A newly established de-luxe hotel and conference group presently with two units now being brought up to 5 star standard requires a financial controller to report to the Group Managing Director. The job is to establish and manage the finance function initially covering two sites. During the early stages the job needs an innovative hands-on approach and the ability to install an accounting system and microcomputer network, devise meaningful management reporting and establish the necessary controls in an exciting, fast-moving environment.

We would like to hear from entrepreneurial, qualified accountants aged 25 to 35, preferably with hotel and management experience. Plans and finance exist to expand the group in the UK and Western Europe and someone capable of growing into an international role would have an opportunity for promotion. Salary could exceed £30,000 and car is provided.

Send CV in confidence to Ann Shepherd, quoting reference AS523, Coopers & Lybrand Executive Resourcing Limited, Shelley House, 3 Noble Street, London EC2V 7DQ.

Executive Resourcing



Finance Director

BIRMINGHAM, up to £30,000 + BONUS


For a £12 million turnover, privately owned group of companies. Established last century as a laundry business, they have seen substantial acquisitive growth in recent years and have also diversified successfully in specialist business systems. All the businesses are well integrated and further growth is confidently anticipated.

As Finance Director of the holding company and the individual businesses, you will have wide ranging commercial involvement in their development. There will clearly be a need to maintain tight financial control during this growth stage and to ensure that the management reporting, forecasting and budgeting processes reflect their business needs.

You will certainly be a qualified accountant and probably aged 35 to 40. Your experience will have been mainly gained in manufacturing companies where you will have proved yourself capable of making a broad contribution to the management and development of the business. The culture is one of shirt sleeves involvement rather than formality and you must be at ease with this style of management.

Résumés please, including day time telephone number and indication of present salary, to David Owens, Coopers & Lybrand Executive Resourcing Limited, 43 Temple Row, Birmingham B2 5JT, quoting reference D318.

Executive Resourcing



DIRECTOR OF FINANCE

£ SUBSTANTIAL CAR & BONUS

Covent Garden

We are a significant firm of Chartered Accountants in the United Kingdom. The practice continues to develop and has expanded into a number of interesting and allied areas. The group now comprises some 200 people with offices located in Covent Garden, The City of London and Northampton.

Reporting to the Managing Partner, the selected applicant will be a qualified accountant able to demonstrate a successful career to date within a commercial environment. He/she will have considerable computer experience and will be interested in developing such computerisation further within the organisation. He/she will be responsible for the central financial administration of the group and for the presentation of sophisticated management information.

Applicants should be ambitious and self motivated, seeking a demanding and challenging position, where hard work, commitment and achievement will be well rewarded.

Please forward detailed C.V. to Paul Beer.



H. W. FISHER & COMPANY

 CHARTERED ACCOUNTANTS

 ACRE HOUSE - 89/76 - LONG ACRE - WC2E 9JW

 TELEPHONE: 01-379 3461 - TELEFAX: 895 3749 - FAX: 01-831 1290

YOUNG FINANCE DIRECTOR

(DESIGNATE)

North-West Age 27-35 £25/30,000 + car


This rapidly-growing service company (T/O approaching £20m) has built up an enviable reputation and an increasing market share by a strong marketing philosophy and forceful commercial management. To continue this momentum, the MD now needs a high-quality Finance Director to bring a more sophisticated approach to financial and strategic planning.

Your initial task will be to upgrade the accounting systems, enabling you to provide more effective management control information. After finetuning your team of staff, you will then concentrate your attention on assisting the Board in the further development of the business, using your expertise to advise on all financially-related matters.

To meet this major challenge, you are likely to be a qualified accountant who can demonstrate a highly successful track record. You will be energetic, confident, and able to relate well to others; this will be particularly important when persuading your colleagues to adopt new ideas and practices. Awareness of the latest IBM hardware would be a great advantage.

The task is demanding, the opportunity to record a major personal achievement is enormous. As the Company is part of a dynamic International Transport Group, your prospects will be excellent.


Please apply to Dudley Hazrop at our Manchester office quoting ref. no. M986



ASB Amethyst House, Spring Gardens, Manchester M2 1EA Tel. 061-834 0618 Fax: 061-832 9123

 Also at Liverpool and Leeds

 ASB RECRUITMENT LTD A Division of ASB Earnest Kinnings Plc



JAMES RIVER GRAPHICS, INC.

Financial Controller

North West


c £25,000, Car, Benefits

James River Graphics, a division of the \$5 Billion turnover James River Corporation, is building a \$38 Million facility to manufacture speciality coated film products using state of the art production technology at Runcorn, Cheshire. The typical products will be dry film photoresists for the electronics industry, microfilm for the records retention and information distribution industries and several graphic arts products.

Reporting to the Managing Director, this position will be responsible for providing assistance and advice on all financial matters, concerning the planning and reporting of the business, including compliance with group policies, procedures and practices, including statutory requirements.

Candidates must be either Chartered or Cost and Management Accountants, aged 35-45, with at least 10 years experience in a manufacturing operation and having prepared statutory returns, taxation and treasury transactions, using computerised accounting systems. The appointee will be highly organised, working in a matrix management approach and have demonstrated commercial acumen and be able to get behind the "figures" in advising the management team. Career prospects are very good and there is a generous relocation package.

R.A. Flude, Ref M15054/FT. Male or female candidates should telephone in confidence for a Personal History Form, 061-832 3500, Fax: 061-834 8577, Hoggett Bowers plc, St. James's Court, 30 Brown Street, MANCHESTER, M2 2JF.




Hoggett Bowers

 BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD and WINDSOR

 A Member of Blue Arrow plc

DIRECTOR OF FINANCE



UEA NORWICH

The University invites applications for the post of Director of Finance, to replace Mr F.A. Newstead who retires in summer 1989.

The Director of Finance is responsible for the financial management of the University, including financial planning, budgets, forecasts and financial systems and controls. The University's Annual Income is around £25m, from a wide variety of sources.

We are seeking to appoint a qualified accountant with substantial experience at a senior level in financial management, not necessarily in education, who will be able to respond to the challenge of the rapidly changing financial environment of universities.

UEA is currently celebrating the 25th anniversary of its foundation in 1963. It is located in the attractive City of Norwich, within one of the fastest growing regions in the country.

The salary will be by negotiation, but is unlikely to be less than £30,000 per annum.

Applications (five copies), giving full particulars of age, qualifications and experience, together with the names and addresses of three persons to whom reference may be made, should be lodged with the Registrar and Secretary, University of East Anglia, Norwich, NR4 7TJ. (tel. 0603 592208) from whom further particulars may be obtained, not later than 28 February 1989.

The University is an equal opportunities employer.

FINANCIAL CONTROLLER

Solicitors

London £35-40,000 + car

An 18 partner firm of solicitors seeks a Financial Controller to take over from the present incumbent who retires later this year. Servicing commercial clients in niche sectors, the firm is enjoying continuing expansion and seeks an accountant capable of developing financial controls, management information and computer systems to support this growth.

Reporting to the Finance Partner, the successful candidate will manage 11 staff, including one fully qualified accountant and one part qualified. The firm currently has an IBM System 36 and several PCs.

Applicants should be qualified accountants, preferably aged 35-45, with sound practical experience in modern accounting techniques, computerised systems and staff management. Previous experience in the finance function of a professional partnership is strongly preferred.

Please send a comprehensive career résumé including salary history and day-time telephone number, quoting ref. 3010, to G J Perkins, Executive Selection Division.



Touche Ross

 Thavies Inn House, 3/4 Holborn Circus, London EC1N 2HR, Telephone: 01-353 7361.

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Please list separately any companies to whom you do not wish your application to be forwarded.

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Director
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A direct line to the executive shortlist

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FINANCIAL TIMES
COMPANIES & MARKETS

Thursday February 16 1989

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INSIDE
A warning note from De La Rue

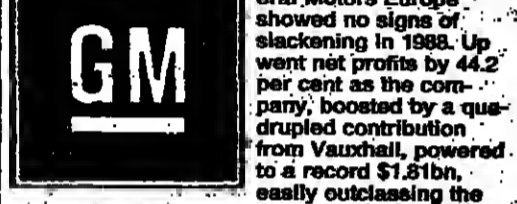


In its dealings with governments and central banks, secrecy has for more than a century played a big part in the business of De La Rue, the UK security printer and manufacturer of sophisticated printing technology. The City of London has become used to this tight-lipped approach. But few were prepared for Tuesday's announcement that pre-tax profits for the year to the end of March would be "substantially lower" than the £22m made in 1987-88. Page 24

Canadians get the jitters

Just when an air of confidence was beginning to creep back into the Canadian markets, a 101-point two-day collapse has convinced investors back on edge. Last week's sell-off was sparked by disillusionment with President Bush's budgetary pronouncements and rising US producer prices and interest rates. The index did claw back 40 points on Tuesday, but the extent of the previous downturn indicates that the jitters which have plagued the market since October 1987 have returned, explains David Owen in Toronto. Page 48

100mph U-turn by GM Europe

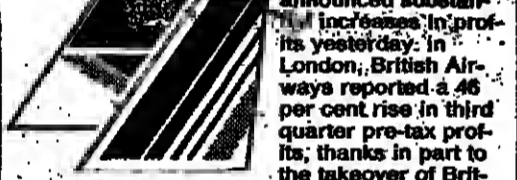


The turnaround at General Motors Europe showed no signs of slackening in 1988. Up went net profits by 44.2 per cent as the company, assisted by a quadrupled contribution from Vauxhall, powered to a record \$1.81bn, easily outclassing the previous year's record of \$1.22bn. Supported by the prolonged boom in West European car and commercial vehicles markets, the company has made a dramatic recovery from its long years of losses between 1980 and 1986. Page 22

Marriage of Eastern promises

In what is regarded as an unusual marriage likely to produce interesting off-spring, Creditanstalt, Austria's largest bank, and Budapest Bank have joined forces to set up one of the first broking houses in Eastern Europe, Judy Dempsey reports. Page 27

Airline profits climb skyward



Two of Europe's biggest airlines announced substantial increases in profits yesterday. In London, British Airways reported a 46 per cent rise in third quarter pre-tax profits, thanks in part to the takeover of British Caledonian Airways last year. In Paris, Air France reported a 68 per cent rise in consolidated net profits for 1988 and announced plans for a large capital-raising exercise. Pages 28 and 24

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Chief price changes yesterday

TRANSPORT (GBP)		PAINTS (PFF)	
British	1828 + 11	Albion	1200 + 46
De La Rue	251 + 12	Galaxy	1138 + 30
De La Rue	251 + 12	Sum	649 + 3
De La Rue	251 + 12	Sum	649 + 3
De La Rue	251 + 12	Sum	649 + 3

LONDON (Pence)

Asahi & Hatch	243 + 10	Cast Gold File	1441 - 19
Asahi & Hatch	229 + 30	De La Rue	270 - 18
Asahi & Hatch	145 + 13	De La Rue	188 - 7
Asahi & Hatch	184 + 10	De La Rue	1253 - 12
Asahi & Hatch	1083 + 1	De La Rue	143 - 10

Elders steps up campaign on MB deal

By Maggie Urry in London

ELDER'S Investments yesterday intensified its campaign to block the proposed merger between the packaging arm of Britain's MB Group and Carnaud, the French packaging company, when it said it would take the battle directly to MB shareholders. Elders Investments, an offshoot of the Australian brewing-to-national group Elders IXL, yesterday voted down proposals which MB had put to holders of its warrants in connection with the Carnaud deal. MB contends that the defeat will not block the Anglo-French merger, but the Australian group also said it would be seeking to block the tie-up at a crucial meeting of MB ordinary shareholders on February 24. The moves came a day after Elders presented the MB board with proposals whereby a new company, in which Elders is a shareholder, would buy Metalbox Packaging for not less than \$310m (\$1.4bn). MB rapidly rejected the proposal and yesterday accused the British company of failing in its duty to give the idea due consideration. The new company is now planning to write to MB shareholders directly, soliciting their support for a rejection of the Carnaud deal. Elders will press for the adjournment of the February 24 meeting to give shareholders more time to consider its alternative proposals. MB shares closed yesterday at 289p, up 5p. The shareholders in the new company would be Ball Corporation, a US packaging group; Elders Investments; and some individuals. These would include Mr Richard Hoffmann, formerly president of Continental Can, another US company, who would head the new group. Elders Investments holds 5.7 per cent of MB's ordinary shares. It also holds 25.1 per cent of its warrants and was able to force the adjournment, from February 1 until yesterday, of the warrant holders' meeting. At yesterday's meeting Mr

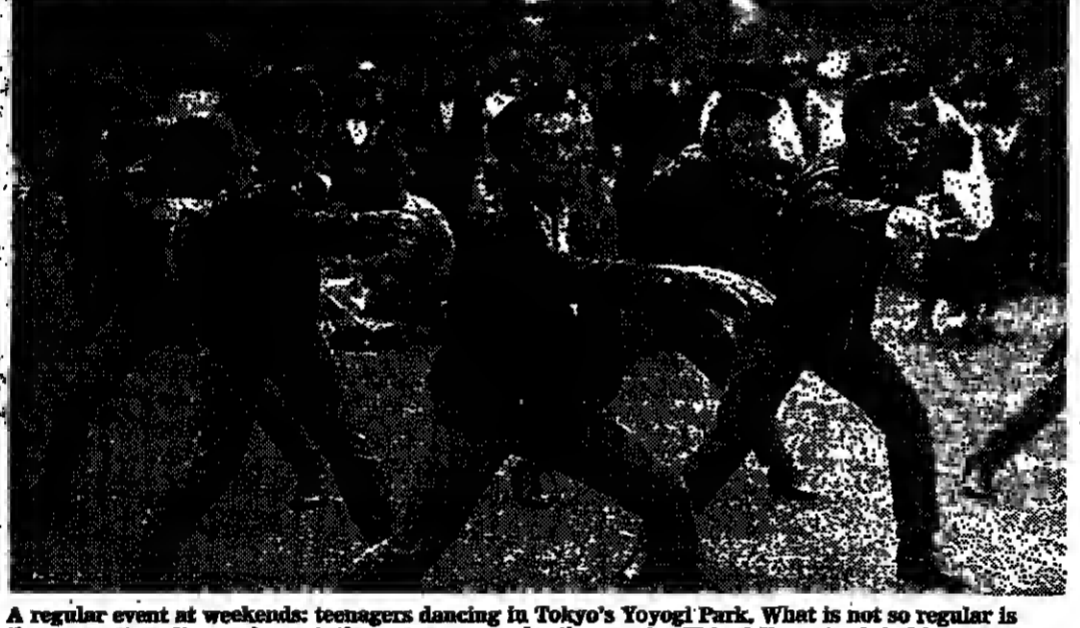
Ross Luke, representing Elders, said he intended to vote his blocking stake against the resolution. He said that the proposal Elders had put to MB better reflected the interests of warrant holders and shareholders of MB than the Carnaud merger. Mr Nigel Johnson, a partner in Allen & Overy, the solicitors, who chaired the meeting, asked MB if it had any comments to make. Mr Murray Stuart, MB chief executive, sitting in the front row, shook his head. Mr Johnson pointed out that MB had issued a press release on Tuesday evening giving its reasons for rejecting the Elders proposal. Of the votes represented at the meeting only 63.9 per cent were cast in favour of MB, while a majority of 75 per cent was needed to pass the resolution. However, a meeting for convertible bond holders, also adjourned from February 1, passed a resolution providing for the exchange of the bonds for new ones. Carnaud yesterday reported its results for 1988 showing a 39.7 per cent rise in net income to FF510m (\$79.7m). Sales were 30.8 per cent up at FF9.5bn. Carnaud has made 25 acquisitions in the last three years and said on an annualised basis that group turnover was now FF9.11bn. Lex, Page 20

News Corp advances despite News International fall

By Chris Sherwell in Sydney and Nikki Tait in London

NEWS CORPORATION, the Australian-based international media group controlled by Mr Rupert Murdoch, yesterday reported after-tax equity-accounted profits of A\$269.3m (US\$229m) for the six months to December, up 14.5 per cent on the same period in 1987. However, at News International, the UK-based company which publishes Mr Murdoch's five UK national newspapers, pre-tax profits at the interim stage were down from £48.5m to £41.7m. This fall is explained by a rise in interest charges from £19.8m to £23.2m. Mr Peter Stehnenberger, finance director, attributed this to the higher level of interest rates and to increased borrowings, partly as a result of the purchase of the stake in Pearson, the information, china and banking group which publishes the Financial Times. The Pearson interest, which stands at 17.4 per cent, was not equity-accounted. At the operating profit level, by contrast, NI showed an 18.2 per cent improvement to £91m (£83.2m) on sales of £378.6m (£339.1m). The group said the newspaper division generally enjoyed increased circulation and

advertising revenue. The Sun, News of the World, and Sunday Times titles produced continued profit growth, while losses, which were not disclosed, at The Times and Today were reduced. The tax charge fell from around 15 per cent to just over 13 per cent, or £5.55m. Below the line, there is also an \$8.34m extraordinary surplus, principally explained by profits from disposals. Mr Stehnenberger said there had been a "modest" loss from television broadcasting, but that the recent expansion of Sky Television had no effect on figures in this period. Yesterday, News Corp said that the venture had the "potential to become a major asset" but would involve large expenditure in the next two years. It declined to elaborate on how this might affect NI figures in the current half. The result produced by the parent, News Corporation, was achieved on a turnover of A\$3.6bn, up 21.3 per cent, and reflected improved earnings and revenue performances across all geographic areas - the US, the UK and Australia and Hong Kong. A breakdown showed interest



A regular event at weekends: teenagers dancing in Tokyo's Yoyogi Park. What is not so regular is the type of audio equipment they use to supply the music. This falls out of fashion after increasingly short periods and pressures to keep pace is taking its toll on smaller manufacturers

Fading while rivals pump up the volume

Michiyo Nakamoto on the survival problems of Sansui and Akai in the Japanese audio market

A BATTLE for survival is being fought in the Japanese audio market, as manufacturers struggle to tailor products to rapidly changing technology and consumer demands. Fierce competition has already taken its toll on some well known names in the industry. Last month, Sansui Electric and Akai Electric, two of the country's smaller audio makers, reported pre-tax losses in fiscal 1988, a year which saw huge increases in the profits of many larger companies in the industry. The difficulties Sansui and Akai have faced highlight a widening gap between the larger, highly successful companies and the smaller ones which are finding it increasingly difficult to stay afloat. Sansui, a medium-sized audio company that specialises in high quality products, last month reported a pre-tax loss of ¥5.7bn (\$4.5m) in the year ending last October - its fourth consecutive year in the red. Akai, another medium-sized audio and video manufacturer, also announced a fourth consecutive year of losses recently - ¥2.9bn pre-tax in the year ending last November against a ¥2.2bn loss the year before. Both companies blamed losses on the plunge in exports brought about by the sharp appreciation of the yen since 1985 and a downturn in their domestic sales, particularly of audio equipment. Sansui was 74 per cent dependent on exports just before the rising yen started to take its toll. Mr Masaru Terakawa, a Sansui official, said: "This industry grew on exports, particularly to the US." All of Japan's audio manufacturers were hit hard by the rise in the yen, but most of them have already offset the damage by moving production overseas, which has reduced costs substantially. Mr Yoshitake Kondo, a senior analyst in the Investment Advisory Department of Daiwa Securities,

thinks the yen, which has been relatively stable in the past two years, is no longer a major factor in the performance of these companies. "Audio makers' profits depend more on domestic demand than on the level of the yen," he said. Domestic demand for audio equipment has grown considerably in recent years, mainly because of the ageing population - the largest group of audio consumers - hit a peak last year, and the booming economy supported greater overall consumption. Yet Sansui and Akai have been losing ground on the home market to their larger competitors. Sony, Pioneer and Japan Victor all reported buoyant sales in the past year. Sony's domestic sales were up 46.7 per cent in the six months ending in September while Pioneer's rose 37 per cent in the year to September. The medium-sized companies Sanyo Electric, Kenwood and Aiwa have done less well but look like holding their own. The difficulties faced by Sansui and Akai, as well as the troubles affecting some better-off, medium-sized competitors, seem to be linked more to their inability to adjust quickly to changing market environments and consumer behaviour than to general sluggishness in the domestic market itself. The growing diversification of consumer preferences is perhaps the most important market change for the industry. Young people look for products specifically tailored to their individual tastes. "The life span of any one product has become much shorter: the typical audio set is used for anywhere from six months to one year. This means manufacturers must be able to put a wide range of products on the market and must keep producing new ones very quickly, to keep pace with changing demand and to create new demand. Success in the supply and

demand market depends on heavy investment in research and development. Manufacturers need to have a production system flexible enough to allow them to change models quickly. With products changing at such a frantic pace, a wide and efficient distribution network also becomes crucial. In all these respects, the largest manufacturers have the definite advantage over small and specialised companies. One area in which the largest companies have been developing successfully is in the switch from analog to digital technology, giving them a technological edge over their smaller competitors. Equipment based on analog technology can be mass produced, but success with digital systems requires semi-conductor technology, already highly advanced at companies such as Sony, but which will take smaller companies considerable time to develop. Meanwhile, a price-cutting battle on the domestic market for mini-stereo systems, which now comprise about 60 to 70 per cent of overall stereo sales, has been devastating for small companies, following a flood of cheap imports, mainly from Asian factories. "We just are not able to produce the kind of volume necessary to reduce prices to those levels," said Sansui's Mr Terakawa. The growing dominance of volume retailers selling large quantities of products at a discount has also squeezed manufacturers' profit margins. Survival now depends on producing enough distinct products to continue attracting consumer interest. A major restructuring is likely in Japan's audio industry, in which the smaller companies' could sink unless they diversify into other areas. Sansui is already looking to expand sales of musical electronic equipment and Akai, plans to develop its health equipment division as a mainstay of the company.

New outburst fuels LVMH board row

By Paul Betts in Paris

THE SIMMERING tensions within the Moët Hennessy-Louis Vuitton (LVMH) boardroom have spilled over into another public row, threatening to revive the year-long battle for control of France's leading luxury products, champagne and cognac group. Barely one month after Mr Bernard Arnault took charge of LVMH, Mr Henry Racamer, the head of the Louis Vuitton family, is openly challenging the leadership following a disagreement with Mr Arnault over the group's strategy. Mr Racamer has issued a statement asking for the publication of the current investigation into LVMH share dealings by the Commission des Operations de Bourse (Cob), the French stock exchange watchdog, in the same way as the publication of the recent Cob report on the Pechiney insider-trading scandal. Mr Racamer has also endorsed President Mitterrand's televised attack against stock market speculators. This is an undisguised jab against Mr Arnault, who, in partnership with Guinness, has become the single largest LVMH shareholder in six months by accumulating a stake of nearly 45 per cent on a fully-diluted basis. Mr Racamer also raised the question now under Cob investigation of whether Mr Arnault took control of LVMH with Guinness during his stock market raid last month. If so, Mr Arnault could be forced to make a full offer to all other shareholders at the same price he paid for his controlling block. Mr Arnault has all along claimed that he has not taken control of LVMH because he still needs the support of the Moët Hennessy camp, which currently owns about 14 per cent of the group, to command a majority. From the beginning, relations between the veteran Mr Racamer, whose followers control about 23 per cent of LVMH shares, and the 39-year-old Mr Arnault were expected to be difficult. After the merger, Crouzet will be controlled by a new holding company jointly owned by Thomson CSF and Aerospatiale. This new joint holding company will control just over 50 per cent of Crouzet. Thomson and Aerospatiale have also appointed Mr Jean Segal, a senior Thomson CSF executive, to head the new merged flight electronics group. Deals in related areas involving British companies include the acquisition 18 months ago by Smiths Industries of Lear Siegler Avionics in the US for \$350m, which linked Lear's expertise in airborne weapons control, data recording and altitude data with Smith's leadership in areas such as electronic displays. Britain's General Electric Company, which has been undergoing rapid change on many fronts with joint ventures and a bid for Plessey, is also understood to have been negotiating several collaborative deals with Matra, the French electronics group, as part of its planned expansion in the European defence market.

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INTERNATIONAL COMPANIES AND FINANCE

Aetna Life result confirms problems of US insurers

By Anatole Kaletsky in New York

AETNA LIFE & Casualty, the largest investor-owned US insurance company, announced a slight improvement in its fourth quarter net earnings, but a reduction in its operating profits after tax, confirming a deteriorating trend in the results of US insurers.

Aetna reported net profits of \$208.6m or \$1.85 a share in the fourth quarter, compared with \$197.5m or \$1.71 the year before. However, both quarters' results were distorted by one-time items.

The latest quarter included a

tax-loss carryforward of \$13.7m partly offset by realised capital losses of \$1.2m. The year-ago period was hurt by a \$10.8m reversal of tax credits and a \$20.2m realised capital loss.

Net earnings from operations in the fourth quarter were \$197.1m, or \$1.74 a share, down 14 per cent on the fourth quarter of 1987 on the year before. Aetna's quarterly revenues were down 7 per cent at \$5.6bn.

In 1988 as a whole, Aetna made net profits of \$712.6m or

\$6.24 a share against \$920.6m or \$7.95 the year before. The 1988 net included \$13.7m of tax loss carryforwards and \$31.2m of realised capital gains.

The previous year's result included a tax-loss carryforward of \$49.5m and a \$3.7m capital gain.

The year's net earnings from operations came to \$867.7m or \$5.85, a 13 per cent reduction on the operating profits of \$867.4m or \$7.48 reported in 1987. Aetna's annual revenues grew by 5 per cent to \$24.3bn.

Oilfield services charge hits Enserch

By Roderick Oram in New York

ENSERCH, THE diversified Texas energy group, has reported a large loss for the year, reflecting its previously announced write-off of its Pool Energy Services oilfield service subsidiary.

It also announced two further actions to consolidate its businesses. It will spin off Pool in a separate company that could raise \$100m-\$110m in an initial public offering. Enserch has been trying since the autumn of 1987 to dispose of the loss-making unit.

Enserch will also offer to exchange each unit of Enserch Exploration Partners for half an Enserch common share. The limited partnership will be wound up if more than 50 per cent of its unit holders accept the terms.

The Dallas-based group's loss for the year was \$166.4m, or \$3.14 a share, after the third quarter's \$325m after-tax provision for Pool, a \$29.2m after-tax charge against the group's engineering and construction segment and a \$50m credit for an accounting change. The year earlier net profit was \$30.5m, or 27 cents a share.

Fourth quarter net was \$6.9m, or 5 cents, against \$6.8m, or 5 cents, on revenues up to \$711.7m from \$678.7m.

Mr W.C. McCord, chairman, said: "With the oilfield services discontinuance and the engineering and construction charges behind us, Enserch is in a much improved position for financial growth."

Operating income for the year was \$105.8m, down from \$167m a year earlier, on revenues of \$2.74bn, against \$2.57bn. Of the total, natural gas transmission and distribution slipped to \$134m from \$139.6m, petroleum exploration and production eased to \$41.7m from \$58.6m while engineering and construction turned in a loss of \$51.7m, against a loss of \$14.7m a year earlier.

Earnings from natural transmission and distribution declined mainly because of unseasonably warm weather that resulted in a 13 per cent decline in heating-degree days.

Sharp recovery for GM in Europe

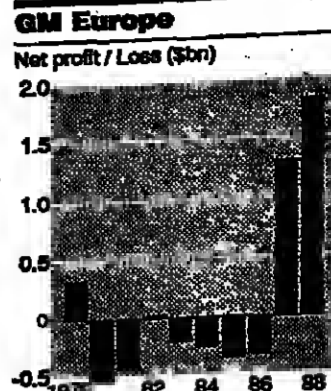
By Kevin Done, Motor Industry Correspondent

GENERAL MOTORS, the world's leading automotive group, has earned net profits of \$3.04bn from its west European operations in the past two years.

Its financial performance in Europe, supported by the prolonged boom in West European car and commercial vehicles markets, marks a dramatic recovery from its long years of losses in the first half of the 1980s, when it ran up an accumulated deficit in Europe of \$2.2bn in the seven years from 1980 to 1986.

In 1988 the net profits of its European operations jumped by 44.2 per cent to a record \$1.81bn, easily outclassing the previous year's record European earnings of \$1.26bn. GM turnover in Europe last year rose by 13.1 per cent to \$17.8bn.

In the last two years GM's west European operations have emerged as the most potent profit earner in the group and accounted last year for 57.3 per cent of group net income based



on only 14.6 per cent of group turnover.

GM Europe was boosted in 1988 by the dramatic improvement in the fortunes of Vauxhall, its UK subsidiary, which is understood to have more than quadrupled its profits to around £150m from a net profit of £31m in 1987 and a net loss of £51.7m in 1986.

As profits have soared GM has continued to cut back its European workforce, which fell last year to 112,000 from 118,000 in 1987 and 123,000 in 1986.

At the same time GM increased its European vehicle production last year by 5 per cent to a record 1.42m. Car production was 4.2 per cent higher at 1.35m units, while output of light commercial vehicles rose by 55 per cent to 37,000 units.

Sales of GM's European-produced Opel and Vauxhall cars rose by 3 per cent to 1.35m units, supported by continuing overall record demand in the European new car market. Opel is the market leader in

big six volume car makers in Europe behind Volkswagen, Fiat, Peugeot and Ford but ahead of Renault.

GM has forecast that it will increase its share of the European new car market this year helped by strong demand for its new generation Opel Vectra/Vauxhall Cavalier upper-medium saloon and hatchback range, which was launched last autumn.

The group is also planning to sell around 10,000 European-produced cars in Japan in 1989 following the signing last year of a distribution agreement with Japanese affiliate, Opel will sell Vectra, Omega and Senator models through Isuzu's Japanese dealer network.

GM expects Vectra/Cavalier sales to total more than 350,000 this year an increase of over 50 per cent compared with combined sales last year of 232,000 of the old and new ranges.

Zanussi and Merloni see rises

By Alan Friedman in Cologne

ZANUSSI and Merloni Electrodomestici, respectively Italy's first and second leading home appliance makers, are both expected to report 20 per cent increases to 1988 net profits. The results will not be declared until the spring.

For Zanussi, which is 95-per cent-owned by Electrolux of Sweden, a 20 per cent rise would suggest a 1988 net profit of nearly L120bn (\$89m), against L97.6bn in 1987. Mr Gian Mario Rossignolo, Zanussi's chairman, said in Cologne yesterday that strong consumer demand had helped its 1988 sales to rise 17.8 per cent to L2,083bn.

Aside from appliances, which make up two-thirds of Zanussi's sales, the group also achieved strong growth in its catering equipment and components businesses.

Zanussi last year produced a record 4.3m appliances, up

from 3.9m units in 1987. Its net debt was down to L300bn at the end of December, against L360bn a year before.

Merloni, which claims 21.5 per cent of the Italian white goods market, against Zanussi's 22 per cent, made L13.5bn net profit in 1987 on the back of L597.5m turnover from its Ariston line. The acquisition by Merloni 13 months ago of Indesit boosted total sales last year to L1,030bn.

Mr Vittorio Merloni, chairman of the publicly quoted group, said he could not reveal the 1988 net profit, but it is believed this will be L22bn, with most of the growth attributable to Ariston; Indesit turned in only a very modest profit in 1988.

Both Zanussi and Merloni are embarked upon intensive factory automation investments, with the latter working to eliminate overlap between

its Ariston and Indesit subsidiaries. Zanussi employs 16,075 and Merloni 5,950.

Zanussi and Merloni each derive about one-quarter of their total appliance revenues from the UK market, where the companies claim to have market shares of 15 and 7 per cent, respectively.

Mr Merloni, who plans to merge the Ariston and Indesit UK businesses, says the British market is "the best barometer in the world because it is the only market where all the big US and European manufacturers are present."

He noted that the entry since last summer of Whirlpool-Philips, Maytag-Hoover, and GE-Hotpoint means that "the UK is the laboratory for our entire industry." Last year, 71 per cent of Zanussi's total sales came from exports; in Merloni's case, the figure was 60 per cent.

Lawson Mardon advances by 51.7%

By Maggie Urry

LAWSON MARDON, the Canadian-based packaging and printing group with extensive European interests, yesterday announced a 51.7 per cent rise in net profits to C\$41.9m (US\$35.4m) during 1988.

Sales were ahead 7.3 per cent at C\$1.1bn, and earnings per share advanced to C\$1.45, against C\$1.2.

However, in the fourth quar-

ter net profits rose by a more modest 11.7 per cent to C\$9.5m on revenues which fell by 6.7 per cent to C\$283.5m.

Mr Lawrence Tapp, chief executive officer, said: "Group results were as strong in 1988 as the forces of record raw material cost increases would permit."

He expected the rise in costs in the current year to moder-

ate and, with further cost containment programmes, he was looking for stronger results in 1989.

Mr Ralph Steedman, chief financial officer, said the strategic redeployment of assets in 1988 had allowed the group to reinvest in new assets, adding to the core business of flexible and rigid plastic packaging.

Strong fourth quarter at ITT

By James Buchan in New York

ITT, the big US conglomerate, reported a sharp gain in its fourth-quarter earnings thanks to improvements across its diverse businesses.

The company said its earnings per share in the fourth quarter increased 52 per cent before a slew of special gains and charges distorted operating results. The strong fourth quarter led to an improvement of 25 per cent in earnings per share before special items for the year.

ITT, whose businesses range

from automotive products to hotels and insurance, said it earned \$180m or \$1.26 a share in the December quarter as against \$421m or \$2.84 a share for the last quarter of 1987. For the year, earnings were \$817m or \$5.70 as against \$963m or \$6.41 for 1987.

Sales revenues advanced 7.5 per cent to \$5.2bn for the quarter and 6.2 per cent to \$19.4bn for the year.

However, the quarterly and yearly earnings figures were distorted by tax benefits in the

insurance operation and charges against operations that have been discontinued. The main non-recurring item was a special gain of \$222.5m or \$1.68 a share, taken in the 1987 fourth quarter from the sale of improved 1988 results, we expect further growth in 1989," he said.

Mr Rand Araskog, ITT's chairman, said all of the company's nine businesses recorded higher profits last year except its electronic components operation.

Centaur raises Pennwalt bid to \$110 a share

CENTAUR Partners, a New York investment group, has raised its offer for Pennwalt, the Philadelphia chemicals group, to \$110 in cash per share from \$100 a share, writes Our Financial Staff.

The original \$100 bid, valued at \$765m, was launched in last December and rejected by Pennwalt's board later that month as "completely unacceptable."

Centaur also said Trio has extended its tender offer until March 1. It had been scheduled to expire at on February 22. By the close of business on February 13, 468,816 Pennwalt shares had been tendered or guaranteed for delivery.

Air Canada and TWA in link-up

AIR CANADA of Montreal and New York-based Trans World Airlines have signed a deal providing for the mutual transfer of passengers, writes David Owen in Toronto.

Traffic between a variety of US and Canadian destinations will be covered as will a total of nine transatlantic points.

This announcement appears as a matter of record only.

February 1989

RJR NABISCO

RJR Nabisco, Inc.

has been acquired by RJR Holdings Corp. and various subsidiaries each, a new company formed by

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The Sanwa Bank, Limited			

Underwriting Agents:

The Bank of New York	The Bank of Nova Scotia	The Industrial Bank of Japan, Limited	The Mitsubishi Bank, Limited
The Nippon Credit Bank, Ltd.		The Sumitomo Bank, Limited	Toronto Dominion Bank

Lead Manager:

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Generale Bank	Bank of Montreal Capital Markets Limited
Banque Internationale à Luxembourg S.A.	BNP Capital Markets Limited
Credit Lyonnais	Mitsubishi Finance International Limited
Westdeutsche Genossenschafts-Zentralbank eG	Banca del Gottardo
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Swiss Bank Corporation	Vereins- und Westbank Aktiengesellschaft

Westdeutsche Landesbank Girozentrale

February 1989



\$11 Billion in Real Estate Transactions in 1988.

A Representative Selection of 1988 Transactions



Inter-Continental Hotels has been sold by Grand Metropolitan PLC

SPTC Holding, Inc. has completed first mortgage bridge note financing

The May Department Stores Company and a joint venture of The Prudential Insurance Company of America and Melvin Simon & Associates, Inc., have become partners in May Centers Associates

Ambac, Inc. has been acquired by an affiliate of JMB Realty Corp.

Sixpence Inns of America has announced it will be acquired by Motel 6

Hardee's Food Systems, Inc. a wholly owned subsidiary of Inasco Limited has completed real estate sale leaseback financing

Outrigger Hotels Hawaii has announced the sale of the Outrigger Malia Hotel located in Honolulu, Hawaii

The Peninsula Group a division of The Hongkong & Shanghai Hotels, Ltd. has purchased Maxim's de Paris Suite Hotel located in New York, New York

Maison Blanche has completed first mortgage financing on a portfolio of department stores

Carter Hawley Hale Stores, Inc. has completed two first mortgage financing facilities on portfolios of department stores

Valley Fair Mall A partial interest in this mall located in Santa Clara, California has been sold by Carter Hawley Hale Stores, Inc.

Hechinger Company has sold and leased back a portfolio of retail stores located throughout the eastern United States



The Prudential Insurance Company of America has sold a 50% interest in Woodfield Corporate Center located in Schaumburg, Illinois

Metropolitan Life Insurance Company, Carlson Real Estate Company and Carter & Associates have sold NCNB Plaza located in Charlotte, North Carolina

John D. and Catherine T. MacArthur Foundation has sold JDM Country Club located in Palm Beach Gardens, Florida

Metropolitan Life Insurance Company has announced the sale of Metrocenter located in Jackson, Mississippi

John Hancock Life Insurance Company has completed the sale of the Copley Plaza Hotel located in Boston, Massachusetts

The Prudential Insurance Company of America has sold Chatham Center located in Pittsburgh, Pennsylvania

Northwestern Mutual Life Insurance Company has sold The Francisco Torres located in Santa Barbara, California

The Prudential Insurance Company of America has sold a portfolio of industrial properties located in California, Washington and Illinois

The RREEF Funds have announced the sale of Lochmann's Plaza located in Reseda, California



The Stanford Court located in San Francisco, California has been sold to Stouffer Hotel Company

The Ritz-Carlton, Aspen to be developed in Aspen, Colorado has been capitalized with debt and equity on behalf of Hadid Development Companies

Northgate Mall and Northgate Square located in Cincinnati, Ohio have been financed

1130 Connecticut Avenue Limited Partnership has completed mortgage financing on 1130 Connecticut Avenue, N.W. located in Washington, D.C.

Briarwood Mall A partial interest in this mall located in Ann Arbor, Michigan has been sold

Forest City Enterprises, Inc. has completed two general obligation caps

Franklin Avenue Associates has completed first mortgage financing on Franklin Avenue Office Center located in Garden City, New York

Space Center Tysons, Inc. has completed mortgage financing on an office building located in Tysons Corner, Virginia

Hotel Bel-Air located in Bel-Air, California and the **Hotel Hana-Maui** located in Maui, Hawaii have been financed on behalf of Rosewood Hotels, Inc.

Scanticon-Princeton Executive Conference Center and Hotel located in Princeton, New Jersey has been financed on behalf of Dansk Totalentreprise a.s.

Columbus Square Mall located in Columbus, Georgia has been sold by The MaceRich Company and Provident Life and Accident Insurance Company

Sequoia Building Corporation has completed mortgage financing on Dulles Corner Buildings Three and Four located in Fairfax County, Virginia

Connecticut/Deales Partnership has completed the financing of 1133 Connecticut Avenue located in Washington, D.C.

The Palisades of Birmingham located in Birmingham, Alabama has been sold by Palisades Associates a joint venture of Aronov Realty Company, Inc. and C.F. Halstead Developers, Inc.

Union Station Associates has announced the financing of Union Station located in Indianapolis, Indiana

Tishman West Management Corp. has sold a 50% joint venture interest to The Balcor Company, a subsidiary of Shearson Lehman Hutton, Inc.

A.J. Duoskin & Associates, Inc. has completed mortgage financing on a portfolio of shopping centers located in Virginia

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The above examples are for a repayment mortgage loan and based on assumed standard mortgage selection fees of £250 (on a £200,000 loan), assumed selection fees in connection with the mortgage of £125, interest charges and repayment of capital. These figures are typical for a borrower of this amount. It has been assumed that standard rules and ECU/Sterling exchange rates remain constant throughout the repayment term and both scenarios are equally 100%. However, after 10th March 1991 the ECU interest rate will be variable. First charges only will be accepted. Life assurance cover of at least 100% will be required.

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INTERNATIONAL COMPANIES AND FINANCE

De La Rue debacle heightens bid play

David Waller on the uncertain future facing the world's leading security printer

For more than a century, De La Rue - security printer and manufacturer of sophisticated printing technology - has been the world's leading supplier of bank-notes. A tradition of secrecy born out of dealing discreetly with the likes of governments and central banks lingers to this day.

This is particularly the case in the company's relations with the City of London. It was only a year ago that analysts went on their first ever trip around a De La Rue subsidiary.

More importantly, it came as a more or less complete surprise to the City on Tuesday when De La Rue put out a dramatic profits warning.

There had been intimations at the interim stage last November that something was amiss - mutterings about the state of the world economy and order books - but no-one was prepared to be told that pre-tax profits for the year to the end of March would be "substantially lower" than the \$22m (\$106m) made in 1987-88.

Spectacularly wrong-footed, brokers scrambled to cut their forecasts from \$69m to as little as \$38-\$40m. The shares dropped by more than 10 per cent on Tuesday and by a further 18p yesterday to close at 87p. At this level, the company is capitalised at £519.3m.

The only thing preventing further collapse would seem to be the speculative interest surrounding the 14.9 per cent stake held by Mr Robert Maxwell, the publisher, and a 4.9 per cent holding in the hands of Societe Financiere de Geneve, the Geneva investment arm of Mr Carlo de Benedetti, the Italian businessman.

De La Rue told of a savage reversal at Printrak, a company which makes fingerprint identification systems, and problems at Crosfield Electronics, which supplies pre-press equipment for the printing and publishing industries.

Printrak which made a small contribution to profits in the previous year, would lose £10m in the second half alone.

The company's size has never been quantified by its parent but it had clearly become too small to compete with the likes of NEC and IBM which have recently moved into its markets.

Crosfield's contribution would drop dramatically from the £20m made in 1987-88, because of a "rapid deterioration" in market conditions over recent weeks. This was blamed, rather unconvincingly,

on a conjunction of higher interest rates, post-election nervousness and a downturn in advertising revenues in the US, all compelling to deter customers from making big purchases.

There was more. Those who managed to get to Mr John White, De La Rue's finance director and the only person fielding calls on the announcement, were told that the tax charge would be a lot higher than expected. Gearing would result from 56 per cent on March 31 1988 to 58 per cent at the end of the current year. The interest bill would be a lot higher.

The writer of bad news does not spell total catastrophe for the company - from an operations point of view. It appears that De La Rue is negotiating the sale of Printrak. Crosfield orders should pick up. Analysts now expect a recovery to pre-tax profits of \$50m in 1988-89. But a blow has certainly been dealt to the credibility of the management and its strategy.

De La Rue printed its first bank-note in 1880, and soon became the world's largest independent currency printer. More than a hundred years later, the company deemed that it would be sensible to

deploy some of the vast cash flow from the currency business in another area. So, in 1974, it acquired Crosfield Electronics - and has subsequently bought a number of other electronics companies.

It was a long, hard struggle with Crosfield. It made a profit of just £1.2m in 1974 on turnover of £10m. As recently as 1983, it made a loss of £2m. But since then, the subsidiary has been the powerhouse of the company's growth, contributing £21m to group profits last year and accounting for 24.8m of group turnover of £48.8m. Crosfield's success more than compensated for a gradual flat-tening-off in the bank-note business.

It also gave De La Rue the management, headed by Dr Brian Malpass, chief executive, a reputation for being able to turn round loss-making electronics companies. This industrial success was shown when Printrak, bought in 1981, took until 1987-1988 to make a positive contribution to profits, even when it slipped back into the red at the interim stage this year. Such indulgence will, of course, no longer be forthcoming.

De La Rue's shares, which had underperformed the mar-

ket throughout 1987, were something of a star performer in the weeks following the October 1987 stock market crash, for the simple reason that Mr Maxwell took the opportunity to buy a 15 per cent stake. Since then, the shares have bobbed up and down on the back of constant bid speculation. And in January this year, Mr de Benedetti was finally identified as the mystery purchaser whose buying had animated the share price throughout the summer.

In theory, Tuesday's announcement makes the company more of a sitting duck than ever before, and it is that chance that sustains the share price at current levels (the shares sit at a prospective price earnings of over 20 for the current year and 16 for next year - much too high on fundamental grounds).

However, it is not obvious who the hidden buyer turned out to be. Mr Maxwell, for one, has drastically reduced his involvement in the printing industry. Mr de Benedetti's plans are unknown, but he, or any other bidder, would come under the close scrutiny of the Bank of England, which - after all - has maintained a relationship with the same company for over a hundred years.

Fiat considers acquiring control of Cogefar

By John Wyles in Rome

FIAT, the Italian motor group, is exploring the possibility of acquiring control of Cogefar, one of the country's leading civil engineering groups, in a move which would create a national construction company approaching international dimensions.

If Cogefar were to be merged with Fiatimpresit, Fiat's construction arm, the resulting group would have sales of more than L1,500bn (\$1.1bn) and around 8,000 employees. Some Italian industrialists have been lamenting the country's lack of a large civil engineering group to take on international competition in the post-1992 European market.

Mr Franco Reviglio, the president of Eni, the state energy company, which has taken control of Cogefar and to put

Strong demand for pulp helps Metsa-Serla

By Olli Virtanen in Helsinki

METSA-SERLA, the Finnish forest-products group, reports a strong surge in profit before appropriations and tax to FML20m (\$243m) in 1988 from FML380m in 1987. Net sales increased by 8.5 per cent to FM7.6bn.

Profit after financial items rose to FML11m, representing a 3.4 per cent of net sales, against FML26m and 3.7 per cent in 1987. Net financial expenses totalled FML65m, down from FML73m the year before. Earnings per share rose to FM46 from FM16.

The performance mostly reflected strong demand for forest products, particularly in pulp. But sales of paper and newsprint also increased rapidly, says Mr Ebbe Sommer, the group chief executive.

Air France lifts profit and plans perpetual note issue

By Paul Bets in Paris

AIR FRANCE, the French national airline company, reported yesterday a 63 per cent rise in group net profits to FF7.12bn (\$190.5m) last year from FF7.16m. Turnover increased by 8 per cent to FF31.2bn.

Mr Bernard Attali, chairman, said that Air France was planning to issue perpetual notes - a raising between FF1.5bn and FF2bn to finance the company's ambitious investment and fleet renewal programme.

A number of major French groups, including Rhone-Poulenc, Credit Lyonnais and Matra have already issued perpetual notes which form a substitute for raising new equity capital, especially for state sector groups.

Outside France, KLM, the Dutch airline, has also issued

Canada's largest retail broker searches for new helmsman

By Robert Gibbons in Montreal

MIDLAND Doherty, Canada's largest retail brokerage concern, has appointed chief operating officer Mr Jack Elliot as acting president, and is searching for a "prominent replacement" for Mr Peter Campbell, president and chief executive since April 1987.

The company would not comment on Mr Campbell's future, but industry sources said that he has left Midland.

Mr Campbell, a former senior executive with Wood Gundy, joined Midland Doherty as chairman and then

Raytheon designates president

RAYTHEON, the diversified US defence and aerospace group, has designated Mr Dennis J. Board as its next president. He is currently senior vice president and general manager of the company's Missile Systems division.

Mr Picard will succeed Mr R. Gene Shelley on the latter's departure at the beginning of August, having reached the company's retirement age of 65. Mr Picard was also named to the board, expanding its membership to 14.

The board requested that Mr Thomas L. Phillips, chairman and chief executive officer, extend his service with the company until the end of next year. Mr Phillips, who will turn 65 this spring, agreed to the request.

Raytheon designates president

At that time, Mr William L. Brown, the present chairman, will retire after 40 years with the bank, while Mr Charles K. Gifford, vice chairman, will be elected president of both organisations. The company will then, it stated, have US\$36m in assets.

AMERICAN Telephone & Telegraph announced the retirement of Mr John Ziegler, senior vice president, general counsel and government affairs.

MR MASSIMO Perazzo, formerly head of the Syndicate desk in London of BNL Investment Bank, a subsidiary of Banca Nazionale del Lavoro, Italy's largest bank, has joined Pasfin, a full service investment bank in Milan.

Mr Perazzo, 39, has been named Pasfin director in charge of capital markets.

Globo banking venture

ORGANIZACOES Globo, Brazil's most powerful broadcasting and publishing group, has teamed up with Arab Banking Corp (ABC) to form a joint-venture investment bank in Brazil, AP-IM reports.

The new investment bank will have an initial capital of \$20m. It will offer trade finance for Middle East-Brazilian trade, among other services.

The ownership structure is not known but Brazilian law doesn't permit foreign banks to have majority control in investment banks. Usually, control is split 50/50 between Brazilian and foreign partners.

Organizacoes Globo owns Globo Network, the largest privately-owned television network outside the US, a large Brazilian radio network and the daily newspaper O Globo, one of Brazil's largest-circulation dailies.

Arab Banking, which is owned by the governments of Kuwait, Libya and the United Arab Emirates, is the fifth largest Arab bank ranked by equity.

Pioneer advances 32%

PIONEER Electronic, the Japanese audio and video electronics group, yesterday reported a 32 per cent increase in consolidated pre-tax profits for the three months to the end of December.

Profits rose to Y13.3bn (\$104.7m) owing to a 10 per cent increase in sales to Y12.3bn.

Domestic sales rose 12 per cent and overseas sales by 7.5 per cent.

The company said new products sold well including compact disc players and laser-optical video discs, especially those designed to accompany customers as they sing along to the soundtrack.

Net earnings rose 47 per cent to Y6.5bn, or Y43.27 a share.

Best Denki Co., Ltd.

U.S. \$45,000,000
3% Guaranteed Bonds due 1991 with Warrants (1)

U.S. \$70,000,000
3% Guaranteed Bonds due 1992 with Warrants (2)

Pursuant to clause 3 of the instrument dated (1) 14th April, 1986 and (2) 19th March, 1987 under which the Warrants were issued Notice is hereby given as follows:

(A) On 14th December, 1988, the board of directors of the Company resolved to make a free distribution of shares of its common stock to shareholders of record as of 28th February, 1989, in Japan at the rate of 0.05 new shares for each share held.

(B) As a result of such distribution, the subscription price at which shares are issuable upon exercise of said warrants will be adjusted pursuant to condition 2 of the warrants from:

1) ¥1,422.10 per share of common stock to ¥1,380.70
2) ¥1,592.20 per share of common stock to ¥1,549.80 effective 1st March, 1989.

BEST DENKI CO., LTD.
By: The Daiwa Bank, Limited,
as Principal Paying Agent

16th February, 1989

INTERNATIONAL APPOINTMENTS

Canada's largest retail broker searches for new helmsman

became president. Over the past year, he made a series of acquisitions and Midland's workforce now totals nearly 2,000.

However, Midland posted a loss of around C\$4m in the last nine months of 1988, and the rest of the brokerage industry has been cutting back since the October 1987 crash.

ROHR INDUSTRIES, the California-based producer of components for the aerospace industry worldwide, named Mr Robert Goldsmith president

Raytheon designates president

RAYTHEON, the diversified US defence and aerospace group, has designated Mr Dennis J. Board as its next president. He is currently senior vice president and general manager of the company's Missile Systems division.

Mr Picard will succeed Mr R. Gene Shelley on the latter's departure at the beginning of August, having reached the company's retirement age of 65. Mr Picard was also named to the board, expanding its membership to 14.

The board requested that Mr Thomas L. Phillips, chairman and chief executive officer, extend his service with the company until the end of next year. Mr Phillips, who will turn 65 this spring, agreed to the request.

Globo banking venture

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The ownership structure is not known but Brazilian law doesn't permit foreign banks to have majority control in investment banks. Usually, control is split 50/50 between Brazilian and foreign partners.

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Domestic sales rose 12 per cent and overseas sales by 7.5 per cent.

The company said new products sold well including compact disc players and laser-optical video discs, especially those designed to accompany customers as they sing along to the soundtrack.

Net earnings rose 47 per cent to Y6.5bn, or Y43.27 a share.

Gulf Canada Resources Limited

U.S. \$375,000,000
Note Issuance Facility

Noteholders are hereby notified that the applicable Rate of Interest and the Interest Amount in relation to the Interest Period 27th February 1989 to 17th March 1989 is as follows:

1. Rate of Interest 0 7/16%

2. Interest Amount per US\$500,000 Note: US\$3,570.14

Final Interest Payment Date will be 17th March 1989

Reference Agent
Bank of America
International Limited

National & Provincial Building Society

Notice is hereby given that for the three months 9th February, 1989 to 9th May, 1989 the Notes will carry an interest rate of 10.00% per annum, with a minimum amount of £20.00 per £10,000 Note and £3,200.34 per £100,000 Note payable on 9th May, 1989.

Bankers Trust
Company, London Agent Bank

Santa Barbara Savings and Loan Association

U.S. \$100,000,000
Collateralized Floating Rate Notes Due 1996

Notice is hereby given that the Rate of Interest has been fixed at 8.25% p.a. and that the interest payable on the relevant Interest Payment Date, May 16, 1989, against Coupon No. 11 in respect of US\$100,000,000 of the Notes will be U.S.\$4,425.87.

February 16, 1989, London
By: Citibank, N.A. (CSI Dept.), Agent Bank

CITIBANK

INTERNATIONAL COMPANIES AND FINANCE

Strong demand and CBS purchase boost Sony 96%

By Ian Rodger in Tokyo

PRE-TAX profits of Sony, the Japanese consumer electronics and recording group, soared 96 per cent on a consolidated basis to ¥63bn (\$486m) in the three months to December 31 as demand throughout the world remained brisk and the effect of the acquisition of CBS records continued to be felt.

Sales were up 37 per cent to ¥614bn, reflecting sales gains that all electronics product groups registered in all geographical areas and the favourable sales enjoyed by the record operations, the company said.

Sales of audio equipment were up 15 per cent to ¥169.4bn

while video equipment sales rose 25 per cent to ¥167.9bn, boosted by strong Christmas sales in overseas markets. Sales of television sets rose 8.5 per cent to ¥104.1bn. Sales in the CBS record division, which was not a part of the group in the same period last year, were ¥84.1m.

Operating income in the third quarter was ¥58bn, up 83 per cent, and net income jumped 44 per cent to ¥29bn. Net income per share rose 30 per cent to ¥94.4 or ¥83.3 on a fully-diluted basis. Comparative period figures have been restated to comply with US Statement of Accounting Stan-

dard 94 requiring consolidation of previously unconsolidated subsidiaries.

In the full nine months, pre-tax profits jumped 146 per cent to ¥131bn on sales up 38.9 per cent to ¥1,606.1bn. Net income was up 107 per cent to ¥58.1bn and net income per share rose 70 per cent to ¥194.5 or ¥182.7 on a fully-diluted basis.

Sony said it anticipated that its operating environment in the near future would be difficult because of the uncertain economic outlook both in Japan and abroad and because of foreign exchange markets.

Canon leaps ahead and pays higher dividend

By Clive Wolman in Tokyo

CANON, the Japanese camera, copier and office automation group, yesterday reported a 113 per cent leap in pre-tax profits to ¥43.6bn (\$344m) and a 16 per cent rise in sales for 1988.

The figures, which fell slightly short of analysts' expectations, were the result primarily of sales gains in office automation equipment. The dividend is going up by 25 per cent to ¥12.50 a share.

Sales of facsimile machines, laser beam printers and other electronic office equipment, which account for 45 per cent of the total, rose by 25 per cent while sales of copiers, accounting for 30 per cent of the total, rose more modestly. Plain paper copier sales rose by only 11 per cent. Sales of steppers and other optical instruments rose by 55 per cent.

By contrast, sales of cameras, which now account for only 13 per cent of the total, declined by a small margin. Profit margins were boosted by the greater emphasis on high value products and by a further shift to overseas production.

Foreign exchange gains and other financial income, which were negligible in 1987, contributed ¥7.67bn last year. The company is forecasting a 3 per cent rise in pre-tax profits for 1989 on sales up by 11.5 per cent.

Nickel lifts Western Mining

By Chris Sherwell in Sydney

STRONG nickel prices and increased gold production contributed to sharply improved interim profits reported yesterday by Western Mining Corporation, one of Australia's best-known mining groups.

The company announced an after-tax profit for the six months to December of A\$148.2m (US\$74.4m), more than double the A\$44.6m figure for the same period of 1987, on total revenues of A\$606m, up from A\$422.2m.

A press conference in Melbourne, Sir Arvi Parbo, the chairman, confirmed that the group had received no details from RTZ of the UK regarding an offer price for BP Minerals' 49 per cent holding in the Roxby Downs uranium, copper and gold mine.

RTZ is buying BP Minerals, but Western Mining, which has 51 per cent of Roxby Downs, has a pre-emptive right to acquire the BP stake.



Sir Arvi Parbo, no word from RTZ over offer for BP stake

Giving details of its performance, the group said the nickel prices it had realised in US dollars were 114 per cent higher than in 1987, while its share of gold production was 375,000 ounces, up dramatically on the previous figure of 205,000 ounces.

Also contributing to the profit improvement were the group's share of almost doubled profits from associated companies - in particular Alcoa, because of strong aluminium prices - and profit from Roxby Downs operations, which began during the period.

The results were adversely affected by a 29 per cent fall in the volume of nickel sales "as a result of temporary grade problems, which are being overcome," and by the double impact of a 15.8 per cent fall in the nickel price, and a 18 per cent appreciation of the Australian dollar.

Looking ahead, the group said the present outlook for nickel and aluminium was favourable. However, it drew attention to trends in the gold price and Australian dollar exchange rate.

Directors declared a 13 Australian cent interim dividend, up from 10 cents.

Bond inquiry to be extended

AN OFFICIAL Australian inquiry into Alan Bond's fitness to hold broadcasting licences has been extended to allow Mr Bond to make new submissions of adverse allegations, *News* reports.

The Australian Broadcasting Tribunal (ABT) said it has evidence on which it could make findings "adverse" to Bond-controlled companies but would allow Bond another 12 days to prepare any further submissions.

Bond Media, a 51.6 per cent-owned associate of Bond Corporation Holdings, controls three metropolitan television stations, nine radio stations and a satellite TV service. The statutory tribunal has the authority to cancel licences for Bond-controlled national television and radio networks.

It has spent several months investigating a number of allegations including a A\$400,000 (US\$201,000) out-of-court defamation payment to a politician, the faking of radio news tapes and alleged threats to a leading investment manager.

The tribunal said yesterday that it had evidence on those cases which could lead to "adverse" judgments but would set aside the matter for hearing on February 27.

The tribunal ruled that Bond had no case to answer on other aspects of the inquiry, including board appointments to Bond companies and editing of a current affairs show.

Building filip for Asahi Glass

By Clive Wolman

ASAHI GLASS, Japan's largest glass manufacturer, yesterday reported a 23 per cent rise in pre-tax profits to ¥76.1bn (\$601m) for 1988 on sales which rose by 16 per cent to ¥834bn.

An upsurge in housing construction led to increased sales of float glass, high performance glass, sheet and glass-fibre reinforced cement. Sales of fabricated glass doubled in line with higher domestic car sales while increasing consumer demand for large television sets and computer display equipment fed through into higher sales of glass bulbs.

Total sales of glass products and construction materials rose by 14 per cent to ¥433bn while sales of chemical products rose by 17 per cent to ¥314bn.

In the current year, the company expects a 10 per cent rise in sales for 1989 and a 12 per cent rise in pre-tax profits primarily as a result of increased domestic consumer spending and investment in plant and equipment.

Highveld Steel ahead despite losing markets

By Jim Jones in Johannesburg

HIGHVELD Steel & Vanadium, the South African steel and ferro-alloys producer, reported record sales and profits for 1988 despite the loss of two important steel export markets. It plans to expand its alloys, iron and steel manufacturing capacity.

Last year, for the first time domestic and export steel sales exceeded 1m tonnes despite the loss of US and KEC markets because of sanctions against South Africa. Mr Leslie Boyd, the chairman, said this week alternative export markets had been found.

Turnover rose to R1.19bn (\$276m) last year from 1987's R870m and pre-tax profits more than tripled to R224.5m from R74.3m. The year's dividend has been raised to 57 cents a share from 30 cents.

Mr Boyd said demand last year for vanadium pentoxide had been exceptional, particularly for tool steels, lifting Highveld's sales to a record 50m pounds in weight. South

Africa produces 60m of pentoxide each year, roughly three-quarters of the non-communist world's total 90m pounds supply.

Highveld's pentoxide price has been set at \$4.50 per pound for the first quarter of this year against spot market prices of about \$10 per pound.

The company believes its present price will not discourage the use of vanadium steels and that demand will remain buoyant.

More than 35m pounds of Highveld's annual vanadium production is in the form of spinel, a co-product of the company's steelmaking operations. The remainder is produced directly from ore at the Vantra division.

A new R25m rotary kiln is to be built at Vantra, raising annual pentoxide capacity to 17m tonnes. A further increase will accompany the completion of a R71m iron pelletising plant which will permit a modest rise in steel and iron capacity.

French chemicals group trebles profits to FFr3bn

By George Graham in Paris

ORKEM, the French state-owned chemicals group, tripled its profits last year to FFr3bn (\$477m), marking its surprisingly rapid return to health less than two years after the Government gave it a "last chance" capital injection in a bid to turn it round from years of mounting losses.

Mr Serge Tchuruk, Orkem's president, said yesterday the group had sales of FFr5.5bn at the end of 1988 and a negative capital base of FFr1.2bn. At the end of 1988, it had a positive capital base of FFr4.6m, and debt had sunk to FFr3bn.

"The state made a golden bargain," Mr Tchuruk said, estimating that his group, previously known as CDF-Chimie as it used to be a subsidiary of the state coal group Charbonnages de France (CDF), must now be worth at least FFr10bn.

In 1988, all the group's four major divisions returned to profit, but the bulk of earnings came from the booming specialty chemicals market, where Orkem holds a number of companies through its subsidiary Norsolor.

Mr Tchuruk said that with demand for thermoplastics increasing by 8 to 10 per cent for the third year in succession, the problem had been not

to sell products but to produce enough of what customers wanted.

The paints division, including the major French brands Ripolin and Avi, made FFr100m operating profit after a FFr40m loss in 1987, while inks, including principally Orkem's 40 per cent stake in Coates Brothers of the UK, also recorded satisfactory results.

The problem fertiliser division returned to FFr290m of operating profit from a FFr40m loss the previous year, despite what Mr Tchuruk described as "very mediocre" market conditions. Demand and prices had fallen, the company had faced "savage imports" from the US, and Gaz de France continued to change more for its gas than other national suppliers, he complained, but believed that the market would improve this year.

Mr Tchuruk plans to continue Orkem's development of its specialties, including the construction of a new acrylic acid reactor at its Carling plant, which had already been expanded last autumn to a capacity of 160,000 tonnes a year and will rise to 220,000 tonnes a year at the beginning of 1990.

Sharp rises at Norwegian banks

By Karen Fosell in Oslo

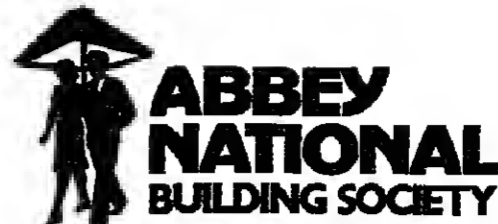
TWO OF Norway's largest commercial banks, Christiania and Bergen Bank, report dramatic increases in profits for 1988, helped by improved interest rate margins.

Bergen Bank reports a 40 per cent improvement in pre-tax profits before losses on loans and guarantees to Nkr1.1bn from Nkr750m for the parent bank.

Christiania Bank group saw a threefold increase in operat-

New Issue February 16, 1989

All these Bonds having been sold, this announcement appears as a matter of record only.



(Incorporated in England under the Building Societies Act 1986)

DM 250,000,000
6 3/8 % Bonds due 1996

AMRO HANDELSBANK AKTIENGESELLSCHAFT	BANK OF TOKYO (DEUTSCHLAND) AKTIENGESELLSCHAFT	BANQUE BRUXELLES LAMBERT S.A.
BARING BROTHERS & CO., LIMITED	BAYERISCHE LANDESBANK GIROZENTRALE	BAYERISCHE VEREINSBANK AKTIENGESELLSCHAFT
BHF-BANK	CHASE BANK AKTIENGESELLSCHAFT	COMMERZBANK AKTIENGESELLSCHAFT
CREDIT LYONNAIS SA & CO (DEUTSCHLAND) OHG	CSFB-EFFECTENBANK	DAWA EUROPE (DEUTSCHLAND) GMBH
DEUTSCHE BANK AKTIENGESELLSCHAFT	DG BANK DEUTSCHE GENOSSENSCHAFTSBANK	DRESDNER BANK AKTIENGESELLSCHAFT
INDUSTRIEBANK VON JAPAN (DEUTSCHLAND) AKTIENGESELLSCHAFT	KREDITBANK INTERNATIONAL GROUP	MITSUBISHI BANK (DEUTSCHLAND) GMBH
J.P. MORGAN GMBH	MORGAN STANLEY GMBH	NOMURA EUROPE GMBH
SALOMON BROTHERS AG	SCHWEIZERISCHE BANKGESELLSCHAFT (DEUTSCHLAND) AG	SCHWEIZERISCHER BANKVEREIN (DEUTSCHLAND) INVESTMENT BANKING
SHEARSON LEHMAN HUTTON A.G. BANKHAUS	SOCTE GENERALE - ELSASSISCHE BANK & CO.	SUMITOMO BANK (DEUTSCHLAND) GMBH
TRINKAUS & BURKHARDT KOMMANDITGESELLSCHAFT AUF AKTIEN	S.G. WARBURG SECURITIES	

New Issue February 16, 1989

All these Bonds having been sold, this announcement appears as a matter of record only.

REPUBLIC OF ICELAND

DM 150,000,000
6 5/8 % Bonds due 1999

BANCA DEL GOTTARDO	BANK BRUSSEL LAMBERT N.V.	BANK OF TOKYO (DEUTSCHLAND) AKTIENGESELLSCHAFT
COMMERZBANK AKTIENGESELLSCHAFT	DEUTSCHE BANK AKTIENGESELLSCHAFT	DRESDNER BANK AKTIENGESELLSCHAFT
MORGAN STANLEY GMBH	THE NIKKO SECURITIES CO., (DEUTSCHLAND) GMBH	NOMURA EUROPE GMBH
SOCTE GENERALE - ELSASSISCHE BANK & CO.	SUMITOMO BANK (DEUTSCHLAND) GMBH	TRINKAUS & BURKHARDT KOMMANDITGESELLSCHAFT AUF AKTIEN
	YAMAICHI INTERNATIONAL (DEUTSCHLAND) GMBH	

NOTICE TO HOLDERS
CANADIAN OCCIDENTAL PETROLEUM LTD.

Can \$60,000,000
RETRACTABLE DEBENTURES DUE 1999

FURTHER TO THE NOTICE of 3rd February, 1989, notice is hereby given that pursuant to paragraph 4(b) of the Terms and Conditions of the above described Debentures (the "Debentures"), Canadian Occidental Petroleum Ltd has reset the interest rate in respect of the Debentures for the five year period commencing 1st March, 1989, to 11 1/2 per cent. per annum.

DATED: LONDON, 16TH FEBRUARY, 1989
For and on behalf of Canadian Occidental Petroleum Ltd by:

ORION ROYAL BANK LIMITED
A member of The Royal Bank of Canada Group

Wells Fargo & Company
U.S. \$250,000,000
Floating Rate Subordinated Notes due 1997

In accordance with the provisions of the Notes, notice is hereby given that for the interest period 16th February, 1989 to 16th May, 1989 the Notes will carry an Interest Rate of 9 3/4% per annum. Interest payable on the relevant interest payment date 16th May, 1989 will amount to US\$244.13 per US\$10,000 Note.

Agent Bank: Morgan Guaranty Trust Company of New York, London

Notice to Noteholders
Prospect International High Income Portfolio N.V.
Up to U.S. \$82,500,000
Sector Floating Rate Notes due 1998
(of which U.S. \$41,250,000 has been issued)

Notice is hereby given that the interest rate for the period from 14th February, 1989 to 14th March, 1989 is 9.7375%. The Floating Rate Note Interest Amount payable on January 17, 1989 is U.S. \$7.57 per U.S. \$1,000.

Bankers Trust Company, London Agent Bank
16th February, 1989

U.S. \$150,000,000
First Bank System, Inc.
Floating Rate Subordinated Capital Notes Due 1996

Interest Rate	9 7/8% per annum
Interest Period	16th February 1989 16th May 1989
Interest Amount per U.S. \$50,000 Note due 16th May 1989	U.S. \$1,220.65

Credit Suisse First Boston Limited
Agent Bank

U.S. \$250,000,000
BANK OF BOSTON CORPORATION
Subordinated Floating Rate Notes Due 2001
Issued 10th February 1986

Interest Rate	9 7/8% per annum
Interest Period	16th February 1989 16th May 1989
Interest Amount per U.S. \$50,000 Note due 16th May 1989	U.S. \$1,220.66

Credit Suisse First Boston Limited
Agent Bank

MB Group plc

NOTICE

To Holders of MB Group plc £65,000,000 5 1/4 per cent Subordinated Convertible Bonds Due 2002

NOTICE IS HEREBY GIVEN to holders (the "Bondholders") of the above bonds (the "Existing Bonds") that, at the adjourned Meeting of Bondholders convened by the Notice of Meeting published on 9th January, 1989 and the Notice of adjourned Meeting published on 3rd February, 1989 in the Financial Times and other newspapers, and held on 15th February, 1989, the Extraordinary Resolution set out in such Notices was passed.

In accordance with the terms of the Extraordinary Resolution the Conversion Right (as defined in Condition 4 of the Existing Bonds, the "Conversion Right") will be suspended from 3.00 p.m. on 20th February, 1989, to and including the earlier of the Effective Date of the Scheme of Arrangement (as defined in the Explanatory Circular issued to Ordinary Shareholders on 9th January, 1989 and expected to be 1st April, 1989) and 1st May, 1989. If the Effective Date occurs on or before 1st May, 1989, the Conversion Right will be cancelled and the Existing Bonds will be deemed to be automatically exchanged on the Effective Date for New Bonds convertible into Ordinary Shares of new MB Group. If the Effective Date does not occur on or before 1st May, 1989, the Conversion Right will be restored as from and including 2nd May, 1989. Notice of whether or not the Effective Date has occurred on or before 1st May, 1989 will be published at the earliest practicable date and, in any event, not later than 5th May, 1989.

The necessary modification of the Trust Deed constituting the Existing Bonds will be effected by a First Supplemental Trust Deed to be executed by the Trustee and existing MB Group. Copies of the Trust Deed constituting the Existing Bonds, the form (subject to completion and amendment) of the First Supplemental Trust Deed and the form (subject to completion and amendment) of the Trust Deed to constitute the New Bonds to be executed by new MB Group and the Trustee may be inspected at the offices of the Trustee and each of the Paying and Conversion Agents specified below.

Expressions defined in the Explanatory Statement issued on 9th January, 1989 to Bondholders shall have the same meanings herein unless the context otherwise requires.

PRINCIPAL PAYING AND CONVERSION AGENT

Bankers Trust Company
Dashwood House
69 Old Broad Street
London EC2P 2EE

PAYING AND CONVERSION AGENTS

Swiss Bank Corporation
1 Aeschenvorstadt
CH-4002 Basle

Banque Internationale
a Luxembourg S.A.
L-2953 Luxembourg

TRUSTEE

The Law Debenture Trust Corporation p.l.c.
Princes House, 95 Gresham Street, London EC2V 7LX

This announcement appears as a matter of record only.



Associates Corporation of North America

US\$325,000,000

Revolving Credit Facility

Arranged by
Amsterdam-Rotterdam Bank N.V.

Lead Managed by

Amsterdam-Rotterdam Bank N.V. The Bank of New York
Credit Suisse The Fuji Bank, Limited
NCNB Texas National Bank Security Pacific National Bank
Westpae Banking Corporation

Managed by

Bank of Montreal The Long-Term Credit Bank of Japan, Limited
The Royal Bank of Canada The Tokai Bank, Limited
Texas Commerce Bank - Dallas, N.A. Westdeutsche Landesbank Girozentrale
Yasuda Bank & Trust Company (USA)

Facility and Swing Line Agent

Amsterdam-Rotterdam Bank N.V.
New York Branch

February, 1989

BRITANNIA BUILDING SOCIETY

£125,000,000
Floating Rate Notes 1995

In accordance with the terms and conditions of the Notes, notice is hereby given that for the three months interest period from (and including) 15th February, 1989 to (but excluding) 15th May, 1989, the Notes will carry a rate of interest of 13.1625 per cent. per annum.

The relevant Interest Payment Date will be 15th May, 1989. The Coupon Amount per £100,000 will be £324.56 and per £100,000 will be £2,245.55 payable against surrender of Coupon No. 1.

Hambro Bank Limited
Agent Bank

Electricity Generating Authority of Thailand

U.S. \$60,000,000
Guaranteed Floating Rate Notes Due 1988/1991

Unconditionally guaranteed as to payment of principal and interest by

The Ministry of Finance of
THE KINGDOM OF THAILAND

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period 16th February 1989 to 16th August 1989 has been fixed at 10.125 per cent per annum. On the 16th August 1989 interest of US\$308.08 per US\$ 10,000 nominal amount of the Notes, and interest of US\$1,728.98 per US\$250,000 nominal amount of the Notes will be payable against Coupon No. 12.

Agent Bank
Swiss International Bank
AL-BANK AL-SAUDI AL-ALAMI LIMITED

Denmark

The Financial Times proposes to publish this survey on
5th April 1989

For a full editorial synopsis and advertisement details, please contact
Claire Schwaninger
on 01-248 9080 ext 3699
or write to him at:

Brackton House
10 Cannon Street
London EC4A 4BY

Or contact
your local representative

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

INTERNATIONAL CAPITAL MARKETS

Prices mark time in front of today's economic data

By Andrew Freeman

EUROBOND markets continued to mark time yesterday, with new issue activity confined to a handful of deals by cautious sentiment ahead of economic data today and on Friday.

Today sees UK unemployment and Public Sector Debt Repayment figures, as well as US housing starts for January. On Friday, traders expect US trade figures for December to give the markets a nervous afternoon.

With many sectors of the Euromarkets experiencing low turnover levels and falling prices, the Euro-sterling sector is notable for its steady appearance. Dealers say the UK government bond market has not fallen from recent levels largely because investors are unwilling to sell into a short-term of risk leading to unexpectedly good business in the Euro-sterling secondary market.

For example, British Aerospace's £100m deal, launched on Monday by Barclays de Zoete Wedd, was trading comfortably yesterday. The 25-year bonds carry a coupon of 10% per cent and were priced to yield 176 basis points over the 5 per cent 2008 government issue.

That spread narrowed to 172 basis points, reflecting strong investor support from UK and

continental institutions. The lead manager quoted a grey market price for the bonds of 98 1/2 bid.

The squawks on the recent Toyota Motor Credit Corporation Euro100m deal was continuing yesterday. An unofficial offer price of 105 was available in certain quarters.

INTERNATIONAL BONDS

but most traders said stock could only be bought by dealing with the lead manager, Credit Suisse First Boston.

The poor performance of the Ecu market since the beginning of the year was being blamed for an unusual willingness among some traders to take short positions in the deal. "If you had been losing money since the New Year, it would have been very tempting to sell this issue short," said one dealer.

There was renewed debate as to the regulatory status of the short squeeze operation. The Toyota deal is the first new issue to be squeezed during its stabilisation period since the UK Financial Services Act came into force in April 1988, and officials at leading Euro-bond houses commented that

there may be a precedent to be explored. However, it will take a formal complaint from one of the aggrieved short-sellers to catalyse an investigation by the authorities.

On the new issue front, IBI International was the lead manager for a small \$60m callable issue for the Italian savings bank, Cariplo (Hong Kong branch). The 10-year bonds, which carry a coupon of 10% per cent, are callable at 10% in March 1992 on a coupon par in March 1993. The deal was largely pre-placed with Japanese investors.

Flat came to the market with its first Euro-Ira issue, via an off-shore subsidiary. The £100m five-year deal carries a coupon of 15 per cent and was brought by Banco Commerciale Italiano.

The bonds were quoted by the lead manager at less 1 1/4 bid, just on full fees. The issue proceeds were swapped into floating-rate D-Mark, apparently to take advantage of good rates available for lira swaps.

In Germany yesterday, good sentiment in early trading went into reverse when the Bund future price dropped ahead of details of the Bundesbank's repurchase agreement. Some bond prices fell by as much as a whole point, with supra-national issues dropping by around half a point.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
LIRE				1994	1 1/2	R.Commerciale Italiana
Flat Finance & Trade	100bn	12	101 1/2	1994	1 1/2	Societa Generale
FRENCH FRANCS				1989	1 1/2	Societa Generale
European Investment Bank	750	8 1/4	101.30	1989	1 1/2	Societa Generale
US DOLLARS				1984	1 1/4	Nomura Int.
BNL Overseas (Caracac)(e)	200	10	101 1/2	1984	1 1/4	Nomura Int.
B.F.C.E. 9 3/4	60	10 3/4	102	1989	2 1/4	Edi Int.
Cariplo (H.Kong)(b)	50	10 1/4	102	1989	2 1/4	Sunamoro Trust Int.
Don Danske Bank(e)	50	10	102	1989	2 1/4	Nomura Int.
Final terms fixed on: Nichol Co.(c)	500	4 1/2	100	1988	n/a	Merrill Lynch
Issue Increased: Nat. Westminster Bank(d)	500	4 5/8	100	undated	n/a	Merrill Lynch
SWISS FRANCS				1994	n/a	Credit Suisse
Total Bank(g)(h)(i)	150	1 1/2	100	1994	n/a	Credit Suisse
Total Bank(g)(h)(i)	150	1 1/2	100	1994	n/a	Credit Suisse

With equity warrants. S: Convertible. Variable rate notes. *Private placement. †Final terms. ‡Non-callable. § Call March 1992 at par. ¶ Coupon indicated at 4 1/2%. † Coupon over 3-month Libor, issue increased by \$750m to \$1,000m. First issued end of October 1988. § Call at par March 1994. ¶ Coupon fixed as indicated. Put option: 100% to yield -1.588%. § Coupon set by 1/2%. Put option: 100% to yield 2.251%.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on February 15

US DOLLAR			Change on			VEN STRAITS			Change on		
Issue	Yield	Price	Day	Week	Yield	Issue	Yield	Price	Day	Week	Yield
Alamy National 7 1/2 92	8.2	100.10	8.2	-0.1	104.8	Alamy Nat. 11 1/2 92	11.5	100.10	8.2	0.1	113.8
B.F.C.E. 9 3/4 92	8.2	101.10	8.2	-0.1	104.8	Alb. Nat. 11 1/2 92	11.5	100.10	8.2	0.1	113.8
Cariplo (H.Kong) 10 1/4 92	8.2	101.10	8.2	-0.1	104.8	Alb. Nat. 11 1/2 92	11.5	100.10	8.2	0.1	113.8
Credit Suisse 10 1/4 92	8.2	101.10	8.2	-0.1	104.8	Alb. Nat. 11 1/2 92	11.5	100.10	8.2	0.1	113.8
Credit Suisse 10 1/4 92	8.2	101.10	8.2	-0.1	104.8	Alb. Nat. 11 1/2 92	11.5	100.10	8.2	0.1	113.8
Credit Suisse 10 1/4 92	8.2	101.10	8.2	-0.1	104.8	Alb. Nat. 11 1/2 92	11.5	100.10	8.2	0.1	113.8
Credit Suisse 10 1/4 92	8.2	101.10	8.2	-0.1	104.8	Alb. Nat. 11 1/2 92	11.5	100.10	8.2	0.1	113.8
Credit Suisse 10 1/4 92	8.2	101.10	8.2	-0.1	104.8	Alb. Nat. 11 1/2 92	11.5	100.10	8.2	0.1	113.8
Credit Suisse 10 1/4 92	8.2	101.10	8.2	-0.1	104.8	Alb. Nat. 11 1/2 92	11.5	100.10	8.2	0.1	113.8

Decline in premium income hits OM profits

By Sara Webb in Stockholm

OM, one of the Swedish options markets, suffered a 60 per cent drop in profit for 1988 as a result of the lower average daily turnover in options and futures contracts and a drop in premium income.

Profits (after financial items) fell to SKR107m (€18.9m).

But the board proposed increasing the dividend from SKR2.7 to SKR3.0 per share.

Total income slipped 1 per cent to SKR30.25m, while income from clearing fees plummeted 46 per cent from SKR248.5m to SKR136.5m.

OM said most of the fall in clearing fees income was due to lower volumes. The average premium income also declined, the group said.

The average daily turnover in options and futures contracts has fallen from about 40,000 in 1987 to 28,000 last year. Business was hit at the end of 1987 and at the beginning of 1988 by the worldwide stock market crash.

In addition, the Swedish Government's announcement last August that it would introduce a turnover tax on options with effect from January 1 1989 led some companies to scale down their options business during 1988. As a result, OM said it felt the negative effects before the tax was even introduced.

OM has continued to expand overseas through ventures in Norway, France and Finland during the last year in order to decrease its dependence on the Swedish market.

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INTERNATIONAL CAPITAL MARKETS

US Treasuries reverse trend with modest gains

By Janet Bush in New York and Katharine Campbell in London

THE US Federal Reserve yesterday seemed to confirm that it has tightened monetary policy once again, deciding not to act in the money market to bring the Fed Funds rate down below 9 1/2 per cent.

Bond prices recovered yesterday morning, registering modest gains which reversed losses on Tuesday. At mid-session, the Treasury's benchmark long bond was quoted nearly 1/4 point higher for a yield of 9.06 per cent.

On Tuesday, the Fed drained liquidity from the money market when Fed Funds were trading at 9 1/2 per cent, the largest move up to 9 1/2 per cent with perhaps 9 1/4 per cent at the top of its range.

It was almost inevitable that the Fed would have signalled a tightening on Tuesday, the day remarks by President George Bush were published expressing his opposition to a further tightening. The Fed had then to prove to the markets its political independence and underscore its anti-inflationary resolve.

HIGHER rates and a DM3.3bn draining of liquidity at the Bundesbank's repurchase tender yesterday sparked off yet another wave of speculation over higher interest rates.

BENCHMARK GOVERNMENT BONDS table with columns for Coupon, Bid Price, Change, Yield, Week, Month, and Year.

call money nudging the 6 per cent Lombard rate, the special Lombard rate facility may be reintroduced. At present the banks can use what is intended as an emergency funding rate for their regular borrowings.

THE DUTCH market has now fallen for 13 consecutive days, which it considers unusual, and the yield curve is absolutely flat at a steady 7 per cent on paper of between two and 10-year maturity.

A new state loan began trading in the unofficial grey market today, with a coupon of 7 per cent. By the end of the day it was quoted at around 99.70, yielding 7.05 per cent. It had traded down to 99.60, an international and hence domestic interest rate concern, but a weaker dollar in the afternoon helped to trim losses a bit.

The previous 10-year loan, which bears a 6.75 per cent coupon, was 15 basis points lower at the end of the day, at 98.15 after pricing a low of 98.05.

Slips and prices on the new loan are set next Tuesday, and in the current, distinctly inclement conditions the amount could well be below DF1 2-3bn.

FRANCE traded nervously again today, with the Matif 10-year bond falling 5/8 basis points during official hours to 104.82. The market continues to fret about interest rate pressure from abroad.

UK GILT-EDGED securities passed a quiet day, in anticipation of today's December average earnings figures. While the announcement yesterday that December industrial production figures fell a surprising 1.6 per cent helped the future slightly, the reaction of the November numbers to a 0.6 per cent rise suggested a good dose of caution was necessary in using such statistics as economic signposts.

The benchmark Treasury bond due 2008-2007 was up 1/4 of a point at 118 1/2 at yesterday's close.

East and West banks in unlikely marriage

Judy Dempsey on the formation of one of Eastern Europe's first broking houses

In what is regarded as an unusual marriage likely to produce interesting offspring, Creditanstalt, Austria's largest bank, and Budapest Bank have joined forces to set up one of the first broking houses in Eastern Europe.

The house, simply called CA-BB Brokers, will be financed to the tune of 50m Schillings (821,000), of which half has been put up by the Budapest Bank and the remaining equivalent of Schöna (845,000) by Creditanstalt.

To creditors, the whole venture, which will be based in Budapest, must seem an unlikely proposition, particularly since Hungary's fledgling stock market still awaits a stock exchange and the authorities are still thinking about when, and how, to make the Hungarian forint fully convertible.

But for Mr Andras Simor, one of those young, no-nonsense, wise Hungarian bankers who will manage the new firm, the broker will play a somewhat different role than those in the West.

"In the West, a broker's job is to react quickly and provide a fast and efficient service. But in Hungary, our function will be primarily to explain objectively to companies and individuals who have money, about the best way they can make use of their resources."

He also thinks the time is right for Hungary to have "independent players" such as a broking house, especially against the background of the fairly radical changes introduced in the banking system over the past seven years.

In 1982, the Hungarian National Bank's monopoly was unchallenged. It alone could set interest rates. There was no such thing as competition; consumers could do little with their savings except deposit them in the Savings Bank or at the National Bank.

After 1982, things began to change. The HNB started issuing bonds. But the most important reform came in 1987, when the HNB's monopoly was effectively broken. Now, independent and self-financing banks were set up which could issue bonds. A year later, they could issue certificates of deposit and in 1988, issue shares.

Initially, the new banks had no licence to do any retail business. Some of their deposits came from enterprises but

either bonds or shares. Capitalisation last year reached Forints 120bn, while total turnover amounted to 20bn forints. He says that about 50bn forints are held in shares, 40bn forints in bonds, and the rest in bills of exchange or certificates of deposits.

In addition, that 50 per cent of paper which is actively traded (trading is once a week because the market is too small) is done so on a short-term basis, roughly between three months and one year.

"That's because there is some uncertainty in the market," says Mr Simor. "With inflation running at the official rate of 17 per cent a year, the introduction of the first personal taxation system and the 25 per cent value added tax, people are understandably cautious."

Bankers reckon that because of this economic uncertainty, people may shy away from investing their money in bonds. After all, back in 1982, all bonds were issued at 11 per cent and the price was guaranteed by the state. But today, lending interest rates are 20 per cent and the interest on deposit accounts range between 15 and 18 per cent.

"Prices for the bonds went down like a bullet in the past year or two," says Mr Simor. "We can't compete with the interest rates. But we are in a difficult position. We don't want to lose our old investors. At the same time, we want to attract new ones."

The banks got around the problem at first by agreeing to

reduce the bond price step by step until it reached its real market value. But, last May, the agreement broke down. In the meantime, afraid of losing old customers, the banks themselves have stepped in to prop up the coupon price in an effort to prevent the bond market from collapsing completely.

Although worried about this trend, bankers say that this is one of the lessons, and prices, to be paid for a more liberal economy. Furthermore, they still believe there remains much untapped liquidity in the country to be channelled into shares which, so far, have held up well, despite the inflation and new income tax measures.

"How would you react in such circumstances? For 40 years, Hungarians could do nothing with their money and they were not used to thinking about shares," explain Hungarian bankers.

True, the most that well-off Hungarians could do with their money was build expensive houses on Buda Hill. They were also afraid of risk, not surprising given what happened after 1947, when the communists confiscated property, nationalised industry and closed private business.

"It takes time to revive this business culture. People still need reassurances about what happens to their investments

years, Hungarians could do nothing with their money and they were not used to thinking about shares," explain Hungarian bankers.

At a press conference held late on Tuesday, Mr Alvarez del Castillo made it quite clear that the accused are being offered no excuses for their alleged misconduct.

Mexican stock market scandal threatens government officials

THE STOCK market scandal that prompted the arrest on Tuesday of top executives from two leading brokerage houses threatens to spill over into a wider investigation of top officials at the time of the 1987 stock market crash.

Deputies from the Mexican Socialist Party (PMS) say Mr Petricoli, as top treasury official at the time of the 1987 stock market crash, was involved in a cover-up of the alleged crimes committed by leading market operators during the trading frenzy that led to an unprecedented boom in the market before the crash of that year.

In an editorial on Wednesday, the influential daily, La

Jornada, says the speed with which Mr Pedro Asto, the current Minister of Finance, has acted on the year-old case, pressing charges within the second month of his term, contrasts with the attitude of Mr Petricoli, who, they say, refused to respond to the request of the Attorney General's office to prosecute individuals even after the office had presented documented evidence of trading violations.

The charges that have led to the arrest of the four executives - "the untouchables," as

yet further than of late on the idea of handling baskets of stock, as opposed to the ready-made index basket. The futures trading gave an upward nudge.

The index itself lost 1.6 points on the day, to 2,047.5, bringing the previous day's recovery, with options turnover in it coming to the currently slight total of 5,237, lying in 3,243 call contracts and 2,044 put. There was a background of economic uncertainty, centred on interest rate policy in the US and in Europe, as well as on the current results end dividend announcement season in the UK, ahead of the clearing bank reporting season.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for Index No., Day's Change, Est. Earnings Yield, and various sub-sections like CAPITAL GOODS, CONSUMER SERVICES, etc.

FIXED INTEREST

Table with columns for Price Indexes, Average Gross Redemption Yields, and various interest rates for different terms.

LONDON MARKET STATISTICS

Table showing RISES AND FALLS YESTERDAY with columns for British Funds, Industrials, Financial and Properties, etc.

LONDON RECENT ISSUES

Table with columns for Issue, Amount, Latest Price, and various stock issues.

FIXED INTEREST STOCKS

Table with columns for Issue, Amount, Latest Price, and various fixed interest stocks.

RIGHTS OFFERS

Table with columns for Issue, Amount, Latest Price, and various rights offers.

LONDON TRADED OPTIONS

Large table with columns for Option, Calls, Puts, and various traded options data.

West End & Victoria Property advertisement with contact information and a small logo.

UK COMPANY NEWS

Lord King forecasts improved year-end profits following take-over of BCal
British Airways at £273m after nine months

By Michael Donne, Aerospace Correspondent

BRITISH AIRWAYS group earned pre-tax profits of £273m in the nine months to December 31 1988, against with £267m in the comparable period last year.

Announcing these results yesterday, Lord King, chairman, pointed out that they included the first significant profits from the take-over of British Caledonian Airways last year.

These were basically reflected in the substantial growth in group turnover over the nine-month period, from £2.84bn to £3.26bn.

But they were particularly noticeable in the third quarter itself, when group turnover rose from £881m to just over £1bn, and pre-tax profits of the combined operations of BA and BCal amounted to £51m against £36m in the previous year, a rise of 46 per cent.

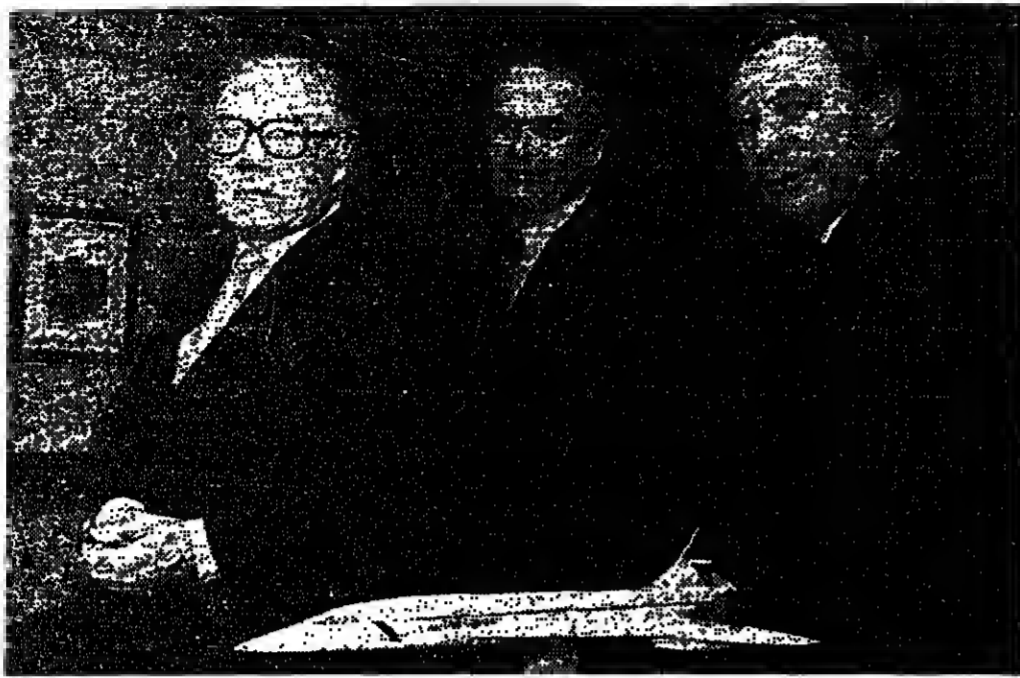
Earnings per share in the nine months were 54.9p against 24.2p, but for the third quarter alone were 4.8p against 3.2p.

Pointing out that these results were achieved after absorbing the heavy acquisition costs of BCal, Lord King said there was now a positive influence on group profits from the BCal take-over, showing a steadily improving trend.

"The former BCal operation has been successfully merged and we can look forward to the benefits of the acquisition being reflected in future results," he said.

Looking ahead to the full year ending March 31, he said that pre-tax profits would be better than last year, when they amounted to £228m.

Lord King said that in the early part of 1989 the group's overall traffic, in both passenger and cargo, remained buoyant.



Lord King, BA chairman, with Mr Derek Stevens, chief financial officer (centre), and Sir Colin Marshall, chief executive (right)

ant. "There is no sign yet that this period of sustained growth is coming to an end," he declared.

But the airline is aware of the need to keep costs under control, and it is looking at ways of reducing them across the entire spectrum of its operations.

This would be achieved largely through increasing productivity and overall operational efficiency, without reductions in staff numbers, especially in view of the increased number of new air-

craft coming into the fleet over the next year, including the big long-range Boeing 747-400 and new 737s and 757s.

Delays in the deliveries of the initial 747-400s by Boeing were an "irritation", but were being absorbed by restructuring the operational plans for the coming summer.

Lord King made it clear that BA was not interested in acquiring all or part of its rival Pan American Airways, now up for sale, and stressed that BA itself would welcome intensified competition on the North

Atlantic if Pan Am were acquired by another US airline.

Overall, he stressed that BA's long-term strategy remained expansionist, with an open mind about acquisitions, partnerships or marketing associations with other airlines either in Western Europe or elsewhere in the world.

He also said that BA was interested in strengthening its position in the regional airline industry in the UK, along the lines of its recent interest (with Maersk Air) in The Filmsoil

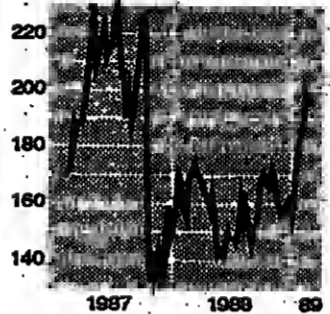
Line, which includes Brynmor Airways and Birmingham Executive Airways.

He was also anxious to reassure passengers about the continuing emphasis in BA on safety and security in air transport.

The public's fears stemmed in part from the disaster at Lockerbie, "for which international terrorism was unambiguously responsible. It also stems, with rather less justification I believe, from highly publicised fears about the standards of

British Airways

Share price (pence)



manufacturing and engineering integrity to be found in the world's airlines.

"Although there is no evidence that our passenger traffic has suffered as a result of these disasters, it is natural that such fears should arise. We are none of us immune from the consequences of human wickedness or human error."

"If there are organisations that ever take safety and security for granted, then I can assure you that British Airways is not one of them," he said.

Radio City reluctant player in Piccadilly/Miss World battle

By Philip Coggan

RADIO CITY, the Liverpool-based radio station, yesterday became involved in the 230m bid battle between radio groups Miss World and Piccadilly Radio after Miss World referred to plans to create "the radio equivalent of Granada Television" in the north-west of England.

In a circular to Piccadilly shareholders, Miss World, which operates the Red Rose radio chain, said that Radio City "wishes to join us in a shared sales and marketing initiative, selling the north west as one coherent region".

However, Mr Terry Smith, Radio City chief executive, said

"We're not at all happy about being dragged into this." He said that Radio City had always suggested that the north west radio stations collaborate on sales and that would be so whether Piccadilly remained independent or was bought by Miss World.

Manchester-based Piccadilly wants to merge with Midlands Radio, which has stations in Birmingham and Coventry. However, opposition to the merger mounted yesterday as Miss World said it had received indications that 45.4 per cent of Piccadilly shareholders would be voting against the deal at an EGM on Monday.

That level of opposition may make life difficult for the Piccadilly board, which needs a simple majority of those voting to back the merger.

Miss World has made rejection of the Midlands merger a condition of its bid for Piccadilly, launched last week. A combined Red Rose/Piccadilly Midlands would breach the 15 per cent limit on UK audience share set by the Independent Broadcasting Authority.

The latest announcement by Miss World means that a further 4.4 per cent of Piccadilly shareholders have expressed opposition to the deal since Monday.

Ricardo rises sharply to £1.1m

By Nikki Tait

RICARDO, the Sussex-based designer of engines and transmissions which is fighting a 232m paper bid from First Technology, yesterday unveiled a sharp recovery in pre-tax profits to £1.1m for the six months to December 31.

The profits, which come as part of the company's defence document, compare with just £200,000 for the first half of 1987/8. Earnings per share rose from 1.2p to 5.5p.

The directors have proposed increasing the interim dividend 35 per cent to 1.35p, which, the company said, was a reflection of its confidence in Ricardo's future as an independent company and of the earnings rise.

Sales were up from £4.78m to £7.05m. Ricardo said that the order book currently stood at a record £20m.

First Technology, however, described the figures as "very much what we expected" claiming that they represented no more than a return to trading levels seen by Ricardo three years ago.

In its defence document, Ricardo said that the interim figures "clearly demonstrate that First Technology's offer did not recognise the value of the group. It argued that there was 'little or no commercial benefit to Ricardo offered by a link with First Technology, which has a narrow product base and is heavily reliant on two major customers'."

It went on to claim that the bidder's involvement in the consulting and contract design business is "all of five months old" and suggested that shareholders should question First Technology's judgment in launching a hostile bid for a business dependent on key individual engineers.

Meanwhile, most of the freezing orders imposed by the court on various stakes in Ricardo have now been lifted. Only two stakes remain frozen - 280,000 shares (1.9 per cent) which were subject to a court order last November, plus the 1.9 per cent interest previously owned by Zurich-based Privatbank. The latter interest has since been sold, but while the order is in force the vendor cannot give good delivery.

Virgin Atlantic at £10m as passenger volumes rise

By Graham Deller

VIRGIN ATLANTIC, the UK's second largest long-haul airline, yesterday reported taxable profits more than doubled to £10m in the year to July 31.

The advance from £4.9m was posted on turnover 25 per cent ahead at £75m (£60m).

Virgin said its net margin of 13.3 per cent made it the third most profitable international airline after Cathay Pacific

and Singapore Airlines. Passenger volumes expanded 88 per cent to 556,653 with increased load factors on all routes. Average load factors on New York flights was up from 74 per cent to 77 per cent, while that on flights to Miami rose from just over 76 per cent to 85 per cent. The group's Upper (business) class, which currently accounts for

about half the space in the New York route, achieved an average load factor of approximately 90 per cent.

Volumes on Virgin's other routes, to Maastricht and Dublin, showed respective volumes of 74.5 and 64.4 per cent.

Mr Richard Branson, chairman, said the results "prove that there is a place in international air travel for an inde-

pendent company which gets the product right".

Current year expansion sees the inception of a service to Tokyo, initially three times a week and including a weekly flight via Moscow. A service to JFK airport in New York is planned to dovetail with Virgin's existing service to Newark, New Jersey.

Mr Branson said the new

routes would strengthen Virgin's position in the market place and expand opportunities for its other related travel companies.

He added: "However, our success depends on keeping the service friendly with a personal touch and we don't anticipate operating more than 10 international long-haul routes."

Unilever stake in Dutch seeds

By Christopher Partis, Consumer Industries Editor

Unilever, the Anglo-Dutch consumer products group, has forged a further link in the international food chain with a deal to take a controlling stake in a Dutch seeds company.

It said yesterday that it expected to reach agreement to take a 60 per cent stake in Barcaburg, a specialist in grass and animal fodder crops, which has 10 subsidiaries in Europe and the US.

Apart from seed breeding and growing trials sites in the Netherlands and France, the subsidiaries concentrate on sales and distribution.

Turnover last year was about £1.18m (£37m). Terms of the deal were not disclosed.

The move marks a further expansion into agribusiness, which has been nominated as a growth area by the food, personal products, detergents and speciality chemicals multinational.

Trencherwood advances 77%

By Andrew Taylor, Construction Correspondent

THE LAST six weeks have seen a sharp recovery in house sales, according to Trencherwood, the USM quoted developer which increased pre-tax profits by 77 per cent to £13.2m in the year to end October 1988.

It was the second year running that taxable profits had risen by more than 70 per cent. Turnover rose 68 per cent last year to £231m compared with \$22.5m in 1986/7.

Mr Brian Eighmond, Trencherwood's managing director said house sales fell steeply during the final three months of last year but had picked up again, recently.

The company was expecting this year to sell more than the 528 houses it sold last year, despite higher interest rates. Increased sales would come from its expansion into other regions and by increasing its retirement homes business.

Two new housing divisions covering Hampshire, Dorset, West Sussex, Gloucestershire, Avon and South Wales would make a first time contribution

this year while sales of retirement homes would rise from 17 to more than 100.

Profit margins from house sales however, would fall by about 2 per cent to 9 per cent this year as a result of the general slowdown in the housing market, said Mr Eighmond.

Earnings from commercial property sales which rose from 11 per cent of total profits in 1986/7 to 20 per cent last year would however help offset any shortcomings in the housing market.

Turnover from house sales last year rose from £24.5m to £69.5m while pre-tax profits rose from £2.9m to £10.5m. Property profits rose from £22,000 to £2.8m. The group currently has a £100m development programme underway.

The board is recommending a final dividend of 3.82p making 5.13p (5.8p) for the year.

COMMENT: Trencherwood has been swimming mostly with the tide

since it was floated in 1984. Its motto will now be tested in a more difficult property market. A strong land bank, a switch to higher value products together with first time contributions from new regions should however keep housing profits moving, albeit more slowly.

A growing contribution from commercial property, which could account for a quarter of the company's profits this time next year, should also assist.

The group remains well placed in its home county of Berkshire. Agreement by the Environment Secretary of a new county structure plan leaves the company poised to start work on a 1,100 home development at Dunston Park which should help safeguard its long term future. The company's brokers Phillips & Drew are betting on Trencherwood's defensive qualities raising pre-tax profits to £17m in the current year, putting the company on a prospective P/E of just over 7.

BOARD MEETINGS


The following companies have notified dates of board meetings in the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final, and the subdivisions are shown below are based solely on last year's announcements.

Company	Date
Indefatigable	Feb. 22
Waterbury Partnership	Mar. 6
Financial Trust	Apr. 6
Cheltenham	Mar. 3
Enron (F & S)	Mar. 8
Falvey	Mar. 8
Travers	Feb. 22
Vantage Securities	Feb. 22
White City of London Prop.	Feb. 27

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corres. dividend	Total for year	Total for last year
Arcliffe Hedges	4		2	6	3.17
BWD Securities	2.5		2.5	5	2.9
Cheltenham	0.8	Apr 5	0.8	1.6	2.9
Enron (F & S)	4.48		11.33	15.81	15.81
Household	2		2	4	15.5
Independent News	10p		5	15	15.5
Joe Holdings	1		0.54	1.54	1.62
Parade	1.9	June 7	0.7	2.6	3.25
Ricardo	1.35		2.75	4.1	3.8
Trencherwood	3.82		2.75	6.57	3.25

Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issue, 10% capital increase by rights and/or acquisition issues, US\$M stock, \$BInquoted stock, \$Third market, \$Irish currency throughout. \$For eight months, \$Prior to capital reorganisation.



**KANSALLIS
GOTA
PARTNERS**

**THE KANSALLIS BANKING GROUP
and
THE GOTA GROUP**

are pleased to announce
their joint venture in the UK securities market

KANSALLIS GOTA SECURITIES LIMITED

will be providing the equity dealing
and corporate finance services
previously offered by
HÄGGLÖF & PONSBACH GOTA SECURITIES LTD
and will absorb the equity trading division of
KANSALLIS-OSAKE-PANKKI
London branch

As from 20 February 1989 the company is operating from
Kansallis House, 80 Bishopsgate, London EC2N 4AU

Telephone 01-248 2266
Telex 945803 GOTASEC G
Facsimile 01-236 5297
01-826 3086 (Corporate Finance)

DEALERS
01-248 9759 (Equities)
01-528 8001 (Equities)
STX 79596
Telex 885 714 GOTAEQ G

A member of The Securities Association
and
The International Stock Exchange

NOTICE OF EARLY REDEMPTION

MALAYSIA

US\$ 250,000,000
Floating Rate Notes due 1992

Notice is hereby given in accordance with Condition 4(A) of the above Notes (the "Notes") that Malaysia has elected to redeem all the outstanding Notes on April 11, 1989 (the "Redemption Date") at a price of 100% of the principal amount (the "Redemption Amount"), plus accrued interest to the Redemption Date, all as more fully provided in the Terms and Conditions applicable to the Notes.

Payment of the Redemption Amount, together with accrued interest to the Redemption Date, will be made on or after the Redemption Date against presentation and surrender of the Notes at the office of the Principal Paying Agent or of any of the Paying Agents listed below. Notes must be presented for payment together with all unmatured Coupons (the "Coupons"), failing which the payment will be made conditional upon such terms as to indemnification in respect of the missing Coupons as the Company may require. Upon the date for redemption of the Notes all unmatured Coupons relating to such Notes shall become void and no payment shall be due in respect thereof.

Please note that therefore the put option as per April 11, 1989 published on January 5, 1989, is without effect.

Principal Paying Agent
Swiss Bank Corporation, Basle

Paying Agents:

Swiss Bank Corporation, London
The Chase Manhattan Bank
(National Association), New York
Banque Générale du Luxembourg S.A., Luxembourg

February 16, 1989

The company that's
good at figures has
changed its number

01-638 1774

With effect from
Monday, 20th February 1989,
this is the new number for:

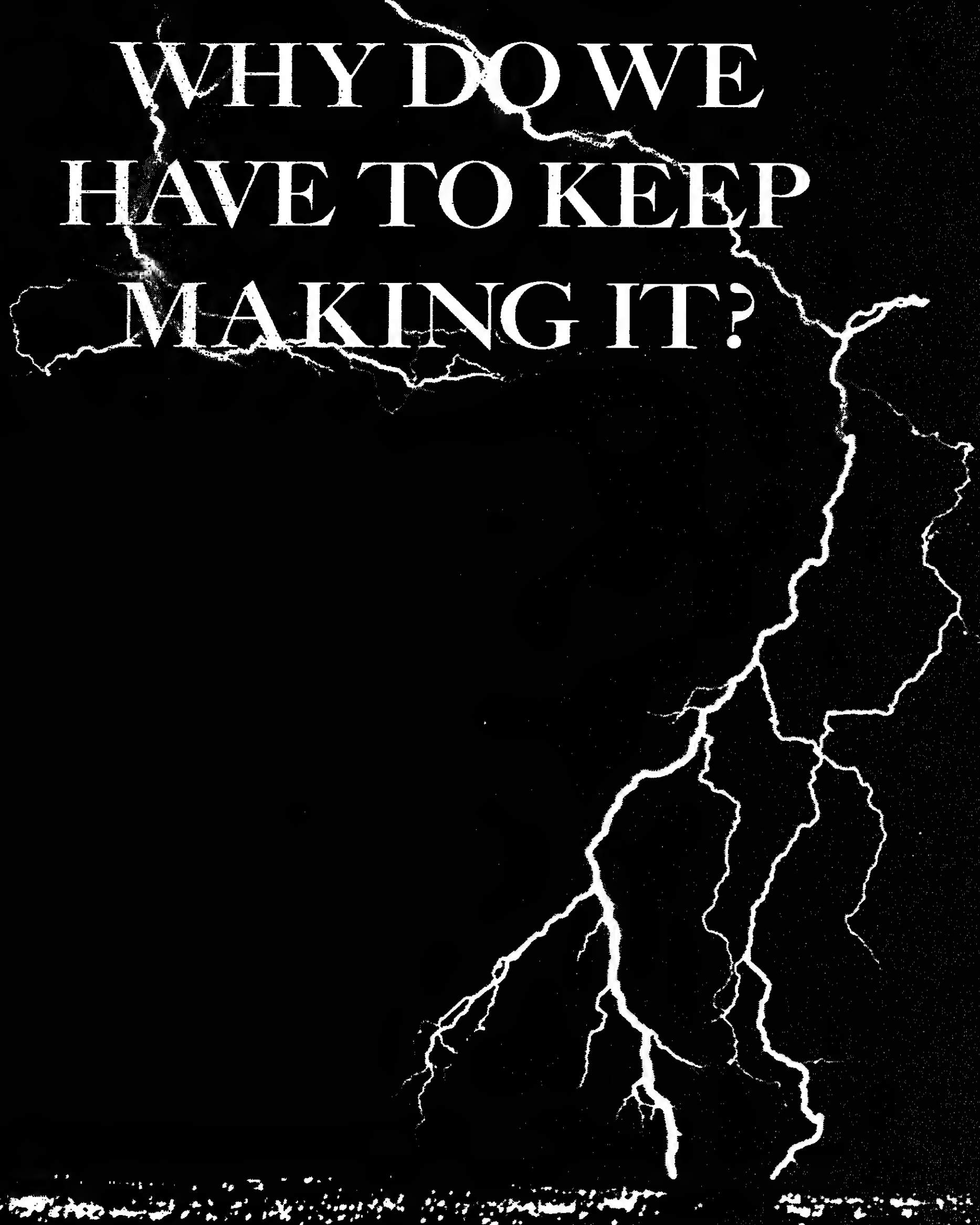
Hill Samuel Investment Management Group
Hill Samuel Investment Management Ltd.
Hill Samuel Property Services Ltd.



HILL SAMUEL INVESTMENT MANAGEMENT LTD.
45 Beach Street, London EC2P 2LX.
A member of IMRO

01-248 2266

THERE'S PLENTY OF ELECTRICITY ABOUT. WHY DO WE HAVE TO KEEP MAKING IT?



Nature just doesn't supply electricity where you want it, when you want it.
(As they say, lightning never strikes the same place twice.)

So, to provide the constant and affordable supply of electricity that modern life depends on, we have to generate it ourselves.

And because very little can be stored, we have to keep making and supplying it to the National Grid, which delivers it to your local Electricity Board.

Electricity is in great demand: from just about every home, office and factory; and from much in between, like the railway system.

This has made generating electricity one of the biggest businesses in Britain.

And all the signs are that demand for electricity is growing. In England and

Wales it's risen by 10% over the last ten years.

Meeting this demand takes a great deal of energy. So we conserve it by making ourselves more efficient.

As a result, we're using less fuel to make each unit of electricity. And though fuel costs us a third more than it did 30 years ago, electricity is now cheaper in real terms than it was then.

Efficiency doesn't only cut costs, of course. It's helped to make our generation industry one of the most reliable in the world.

Because where the nation's power is concerned, the last thing we want is a bolt from the blue.

NATIONAL POWER. POWERGEN.

UK COMPANY NEWS

Future independence of Suter defended by chief executive

By Ray Bashford

MR DAVID ABELL, the chief executive of Suter, yesterday made a spirited defence of himself and his group's future as an independent industrial holding company.

Relief at BWD despite setback

By Clare Pearson

BWD SECURITIES, the USM-quoted stockbroker, yesterday announced pre-tax profits of £822,000 for the year to end-November, down from £1.28m. Mr Christopher Broadbent, managing director, said: "We are delighted to come out in the black."

Tiny Rowland breaches £1m pay barrier with 54.7% rise

By Clay Harris

MR TINY Rowland, chief executive of Lonrho, breached the £1m pay barrier last year, and Sir Edward du Cann, chairman of the international trading group, saw his salary more than treble.

OPERATING PROFIT AND MARGINS BY ACTIVITY

Table with 4 columns: Activity, 1988, % of turnover, 1987, % of turnover. Rows include Motor and equipment distribution, Manufacturing, General trade, etc.

Mr Rowland also said Lonrho did not expect to call for acquisition of cash and existing facilities in excess of £10m are open to Lonrho, should they be wanted, without recourse to shareholders.

UK ECONOMIC INDICATORS

Table showing economic activity indicators for 1988 and 1987, including GDP, manufacturing production, and retail sales.

Table showing output by sector for 1988 and 1987, including manufacturing, construction, and services.

Table showing external trade indicators for 1988 and 1987, including exports, imports, and balance of trade.

Table showing yearling bonds for 1988 and 1987, including yield, price, and duration.

Table showing percentage change in supply, demand, and stock for 1988 and 1987.

Table showing the FTSE 100 index and other market indicators for 1988 and 1987.

Table showing the FTSE 100 index and other market indicators for 1988 and 1987.

BANCO BILBAO VIZCAYA NOTICE OF ANNUAL GENERAL MEETING. The first Ordinary General Meeting of Banco Bilbao Vizcaya will be held on Saturday, 25 February, 1989 at 12.30 pm.

Chelsea Man

Chelsea Man, the USM-quoted menswear group, yesterday reported pre-tax profits up from £631,000 to £674,000 in the half year to October 1.

USF&G buys more Henderson

By Nikki Tait

USF&G Corporation, one of the largest property and casualty insurers in the US, has added further to its holding in Henderson Administration, the UK fund management group.

Corton ventures into Europe

By John Thornhill

CORTON BEACH, the acquisitive Merseyside-based mini-conglomerate, is venturing into continental Europe through the acquisition of a Dutch leisure company.

Independent News rises 33% to £11.21m

By Kieran Cooke in Dublin

INDEPENDENT NEWSPAPERS, the Dublin-based publishing and communications group, has announced a 33 per cent increase in pre-tax profits for 1988 to £11.21m, or £3.16m when converted. This rise was struck on combined group sales up 51 per cent at £134.36m.

Skillion (Middlesex House) Limited. An associate company of Skillion PLC. Mezzanine Loan Facility £14,000,000. Senior, Limited Recourse, Project Loan.

KENYON SECS

Ginns & Gutteridge acquisition. Kenyon Securities, the funeral director, is to buy Ginns & Gutteridge, a Leicester-based funeral business, for £2.75m.

News Digest

drafting beers at Beaumanor, in Leicestershire, raised £1.8m under the Business Expansion Scheme in 1988.

GT VENTURE

Into the red at halfway. GT Venture Investment has announced a loss of £121,670 before tax for the six months ended December 31 1988.

DSC HOLDINGS

Losses rise to £103,000. Increased pre-tax losses of £102,582 were reported by DSC Holdings for the half year ended September 30. In the corresponding period losses were £32,206.

CALDWELL

Downturn of 57% midway. Difficult trading conditions resulted in a 57 per cent contraction in interim profits at Caldwell, the Third Market-quoted investment and commercial holding company with interests in the import and distribution of clothing.

Hoskins Brewery

Plans to join Third Market. Hoskins Brewery has announced plans to join the Third Market. Dealings are expected to start on February 20, provided approval is obtained from the International Stock Exchange. The company, which brews

TRUST OF PROPERTY

Revenue rises 37% to £81,000. Net revenue before tax at Trust of Property Shares rose 37 per cent from £59,450 to £81,707 in the year to December 31 1988. Net assets per share at the year-end stood at 110.44p compared to 114.74p last time.

GPA GROUP

Buy's interest in Expressair. GPA Group, the largest aircraft leasing company in the world, is expanding into painting and refurbishment of aircraft. It has agreed to buy a 50 per cent interest in Expressair Aviation Services, a company based in Shannon.

HONEYSUCKLE

Drop in first half profits. A 5 per cent drop in half-year pre-tax profit was recorded by Honeysuckle Group, following the warning given in December.

Public Works Loan Board

Effective February 16. Table showing public works loan board rates for various terms and interest rates.

TRUST OF PROPERTY

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I.G. INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD. Tel: 01-828 7233/5699. An AFSD member. Reuters Code: IGIN, IGI0.

SPONSORED SECURITIES. Table listing various securities with columns for High/Low, Company, Price, Change, Dividend, Yield, and P/E.

PUBLIC WORKS LOAN BOARD RATES. Table showing effective February 16 rates for various terms and interest rates.

PUBLIC WORKS LOAN BOARD RATES. Table showing effective February 16 rates for various terms and interest rates.

UK COMPANY NEWS

Property hoists Parkdale to £4.6m

By Vanessa Houlder

PARKDALE HOLDINGS, the property and leisure group, yesterday reported a leap in pre-tax profits from £239,000 for the eight months to December 31 1987 to £4.6m for calendar year 1988.

This increase was largely due to the profits jump from £598,000 to £5.27m achieved by the property division, with £4.4m (£295,000) made from the disposal of properties and with rentals rising to £229,000 (£206,900).

Turnover increased to £34.4m (£21.6m for the eight month period), and included £15.7m in respect of Clifford Barnett Group, the leisure facility developer and operator, acquired during the period.

Chief executive, said that higher interest rates were not having a significant effect on the group. Although properties were taking a few weeks longer to sell than anticipated, no downturn in prices was anticipated.

Arncliffe profits soar to over £2.5m

By Katrina Lowe

PROFITS and earnings soared at Arncliffe Holdings, Leeds-based property developer and building contractor, in the year to October 31 1988. The taxable figure advanced from £877,000 to £2.65m on turnover up from £7.33m to £12.92m.

March looks for alternative financing as Akagi pulls out

By John Griffiths

AN AGREED offer by Mr Akira Akagi's Leyton House group to take over March, the loss-making racing cars group, was withdrawn only hours after USM trading in March shares was suspended to allow the deal to go through, it emerged yesterday.

March shares, trading in which was first halted on Monday, continued in suspension at 50p yesterday as Mr John Cowan, chairman, and his board continued negotiations with banks and institutions aimed at finding alternative financing for the group, while retaining its independence.

longer-term funding. The offer by Mr Akagi's Leyton House Industrial Property group, which remains March's principal grand prix racing sponsor, was of 50p cash per share for the 38.5 per cent of March not already held either by itself (20 per cent) or founder Mr Robin Herd and his family (4.5 per cent).

Bid for Ryan International unconditional

Digger, the management buyout vehicle which has been making a bid for the quoted Ryan International, yesterday declared its £28.5m offer wholly unconditional.

Ash & Lacy purchases Hill Bros for £1.3m

By John Thornhill

ASH & LACY, the West Midlands-based company engaged in galvanising and the manufacture of building products, perforated metal and steel cladding, has bought Hill Bros (Birmingham), a metal component finisher, for £1.27m cash.

group's subsidiary, Ash & Lacy Perforators. Bromsgrove bought Hill in May 1987 for £750,000. Mr Steven Mills, Bromsgrove chief executive, said the proceeds of the sale would be used for other industrial investments.

Caparo takes 14.8% stake in Westgarth

By Niddi Tait

Caparo Industries, the engineering group, yesterday announced that it had acquired a 14.8 per cent stake in Westgarth, the Surrey-based steel stockholder which has undergone substantial restructuring in the past few years.

Power Corp calls for £17m to help finance US buy

By Clare Pearson

POWER CORPORATION, the Irish shopping centre developer which through a joint venture is developing the Trocadero site at London's Piccadilly Circus, is calling on £17m (£17.17m) to help finance the proposed purchase of an office and retail complex in Los Angeles.

Acis extends advertising area

By Clay Harris

AFTER CINEMA programmes, theatre ticket wallets, hotels, key cards and the boards of electronic tourist maps, Acis Group has found a new medium for its expansion into niche advertising: posters in night clubs and sports centres.

200 such poster sites. It will also assume debts of £140,000. Each of Wall-Talk's sites in use accounts for annual turnover of about £3,000, but this applies at present to only 40 of the 200 available locations.

contributed £101m to Acis's operating profits on turnover of £3.64m. The latest deal gives Acis a total of 1,800 "specialist venues," including the 600 poster sites inside supermarkets acquired with Goalfresh earlier this month. Goalfresh was bought from United Newspapers for £235,000 in staggered payments and the assumption of £175,000 in debt.

COMPANY NEWS IN BRIEF

GERMAN SMALLER Companies: net asset value per share at January 31 1988 was 151.7p (42.7p fully diluted). GOVETT, FAB, East Investments made pre-tax profits of £208,244 (£118,000) for the year to December 31, against £169,888. Total revenue was £580,358 (£526,713).

loan note alternative is no longer available to preference holders. By February 10 valid acceptance of the preference offer had been received in respect of 562,973 (85.3 per cent). MENVIER-SWAIN Group has announced a £2m expansion programme to establish in the Irish Republic a facility for the manufacture of components for its emergency lighting and fire alarm products.

share at year ended December 31 1988 was 60.12p (41.23p). A maiden final dividend of 0.2p is proposed. WATERGLADE INDUSTRIAL and Business Parks has through a subsidiary, paid £2.8m cash for an office village site at Alban Park, St Albans, owned by Gallagher Holdings. The completed investment value of the development will be about £8m.

Equally, it made no comment on whether it would look for full control at some stage, but stressed that the stake was currently seen as a "low-key minority interest and that people shouldn't read any more into it."

Power Corp calls for £17m to help finance US buy. Power Corp, the Irish shopping centre developer which through a joint venture is developing the Trocadero site at London's Piccadilly Circus, is calling on £17m (£17.17m) to help finance the proposed purchase of an office and retail complex in Los Angeles.

In Shops warranties row. The founders, Mr James and Mrs Lillian Hutchinson, have been dismissed from the business and are counter-suing, alleging breach of contract. In Shops said it strenuously denied the substance of the Hutchinson claim.

Shops' auditor, Peat Marwick, is suing the founders of Advanced Retail Holdings for alleged breach of warranties just three months after acquiring the company for an initial payment of £1.75m.

Shops' auditor, Peat Marwick, is suing the founders of Advanced Retail Holdings for alleged breach of warranties just three months after acquiring the company for an initial payment of £1.75m.

SHARE STAKES

The following changes in company share stakes were announced recently: Aberdeyle Holdings - Crescent Africa has acquired an interest in 2.65m shares (5.296 per cent). Balfie Gilford Shu Nippon - Water Authority Superannuation Fund has acquired 2.15m shares (24.1 per cent).

now has 31,750 (0.1 per cent). Fisher (James) - Hill Samuel Capital Trust holds 1.47m shares (6.2 per cent). Gold Greenless Troit - Following directors have sold shares at 298p each: David Troit 120,000 reducing holding to 1.03m shares (9.18 per cent); Michael Greenless 350,000 reducing holding to 994,188 (8.87 per cent).

per cent). Securicor Group - Statement of December 19 that Globe Investment Trust had 6.5 per cent interest in ordinary stock was based on incorrect information. Globe's interest is less than 1 per cent.

Tiponek - Investment portfolio managed on a discretionary basis by Robert Fleming Asset Management now represents less than 15 per cent of the voting rights.

This announcement appears as a matter of record only. February, 1989



£70,000,000 Revolving Cash Advance Facility with Tender Panel

Arranged and Managed by J. Henry Schroder Wagg & Co. Limited

- Underwritten by: Bank of Scotland, Clydesdale Bank PLC, Rabobank Nederland, London Branch, The Royal Bank of Scotland plc, Barclays Bank PLC, The Sumitomo Bank, Limited, Union Discount Company Limited, Westdeutsche Landesbank Girozentrale, London Branch, Lloyds Bank Plc, The Sarwa Bank, Limited, Hessische Landesbank - Girozentrale - London Branch, J. Henry Schroder Wagg & Co. Limited.

Additional Tender Panel Members: CIC-Union Européenne, International et Cie (London Branch), Riyad Bank, London Branch



Samsung Electronics Co., Ltd.

(a company incorporated with limited liability in the Republic of Korea)

US \$20,000,000 5 per cent. Convertible Bonds 2000

NOTICE OF MEETING of the holders of the above mentioned bonds

NOTICE IS GIVEN that a meeting of the holders ("the Bondholders") of the US \$20,000,000 5 per cent. Convertible Bonds ("the Bonds") of Samsung Electronics Co., Ltd. ("Samsung") will be held at 1 Finsbury Avenue, London EC2M 2PA (Samsung House) on 12th March 1989 at 11 a.m. (London time) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed ("the Trust Deed") dated 19th December 1986 made between Samsung and Bankers Trustee Company Limited ("the Trustee") as trustee for the holders of the Bonds:

- EXTRAORDINARY RESOLUTION THAT this meeting of the holders of the outstanding US \$20,000,000 5 per cent. Convertible Bonds 2000 of Samsung Electronics Co., Ltd. constituted by a Trust Deed dated 19th December 1986 made between that Company and Bankers Trustee Company Limited ("the Trustee") as trustee for the holders of the Bonds hereby: (1) sanctions the proposal (as described in the Notice convening this meeting) and the modification of the provisions of the Trust Deed and of the rights of the Bondholders involved in it; and (2) authorises and requests the Trustee to convene in and to execute a supplemental trust deed in the form or substantially in the form of the draft produced to this meeting and signed by the chairman for identification, and to execute and do all such documents, acts and things as may be necessary to give effect to the proposal and this resolution.

BACKGROUND TO THE PROPOSAL Under the terms of the Trust Deed a Bondholder is entitled to convert any Bond into fully paid and non-interest bearing shares of Samsung ("Shares") at any time and subject to the provisions of the letter of (a) 19th October 1987, or (b) the tenth day after the date on which S.G. Warburg & Co. Ltd. ("Warburg") gives notice to the Bondholders that it is satisfied that under the provisions of Korean law and the Articles of Incorporation of Samsung as then in effect Bonds may lawfully be converted into Shares in all respects in accordance with the provisions of the Bonds and the Trust Deed by non-residents of Korea, and that Shares may lawfully be purchased, held and transferred to non-residents of Korea, and that the Shares arising from conversion would be subject to the provisions of the Trust Deed which may be owned by any particular non-resident or by non-residents generally, and the rights attaching thereto may lawfully be exercised, by such non-residents, in all cases without the imposition of restrictions or conditions which materially affect the interests of a non-resident holder of Bonds or Shares or his ability to exercise his rights thereunder.

THE PROPOSAL The proposal is that the precondition for the exercise of the conversion rights set out at (b) above which requires the notice by Warburg should be deleted from the Trust Deed.

CONSEQUENCES OF THE PROPOSAL In the opinion of the Trustee, the main advantages of the proposal if sanctioned are as follows: 1. Bondholders would immediately upon execution of the supplemental trust deed become entitled to exercise their conversion rights in respect of the Bonds. Samsung is required to obtain the approval of the Ministry of Finance before executing the supplemental trust deed, and while such approval is discretionary in nature, the Ministry of Finance in its December 1987 announcement indicated its intention to allow conversion of convertible bonds issued overseas if the parties thereto amended the terms and conditions of such bonds to allow conversion thereunder.

2. As the Korean domestic market has not been fully liberalised, any Shares arising from such a conversion would be subject to the restrictions affecting shares held by non-residents of Korea, including a restriction on transfers between non-residents of Korea. The Trustee has sought the advice of Lee & Ko, lawyers, of Seoul, Korea, as to the extent of these restrictions. Copies of a letter containing their advice are available as indicated below, and the Trustee recommends inspection. 3. The Bonds are redeemable at the option of Samsung at any time in 1989 at a redemption price of 104 per cent of their principal amount, and in every succeeding year at a redemption price which diminishes by equal steps of 4 per cent, until 1996 in which year the Bonds are redeemable at the option of the Company at 100 per cent, and in following years at par. However, the Bonds cannot be redeemed before 1st January 1992 unless a condition involving the conversion price of the Bonds is satisfied, and all notices of redemption must state the conversion price of the Bonds. As the Bonds have no conversion price until they are convertible, it appears that the effect of this provision is that Bonds cannot be redeemed by Samsung until they have become convertible and the Bondholders have had an opportunity of exercising their conversion rights. Accordingly, if the proposed modification were made and subsequently Samsung were to exercise its rights of optional redemption before full liberalisation were achieved, a Bondholder could find that to protect the value of his investment he was in effect forced to exercise his conversion right and to convert into Shares subject to the restrictions indicated above. In these circumstances, a Bondholder who wished to convert only after full liberalisation had been achieved might be prejudiced by the modification. Samsung has informed the Trustee in a letter dated 22nd December 1988 that it has no present intention of exercising the call provision but that this does not bind Samsung to a future course of action. The Trustee has invited S.G. Warburg, Akroyd, Rowe & Pitman, Mullens Securities Ltd. ("S.G. Warburg Securities") (the securities company in the Warburg group and an affiliate of Warburg) to express a view as to whether the Proposal is in the interests of the Bondholders. Copies of a letter setting out their view are available as indicated below, and the Trustee recommends inspection. In their letter S.G. Warburg Securities set out the historical background, and facts of relevance to the position of the Bondholders. They conclude that, in the circumstances, the Proposal is in the interests of the Bondholders. It is the opinion of S.G. Warburg Securities that the Proposal is in the interests of Bondholders as a whole. In accordance with normal practice, the Trustee expresses no opinion on the merits of the proposal. DOCUMENTS AVAILABLE FOR INSPECTION Copies of the following will be available for inspection by Bondholders at the offices of the Paying Agents specified below up to and including the date of the meeting and at the meeting: (i) the Trust Deed; (ii) a translation into English and the Korean text of the announcement made by the Korean Ministry of Finance in December 1987 and of the official summary of the announcement made in December 1988; (iii) the letter from Lee & Ko setting out their advice on the restrictions presently applicable under Korean law; (iv) the letter from S.G. Warburg Securities setting out its view as to whether the Proposal is in the interests of Bondholders; and (v) a draft (subject to modification) of the supplemental trust deed referred to above. VOTING AND QUORUM 1. A person wishing to attend and vote at the meeting in person must produce at the meeting either a Bond or valid voting certificate issued by a Paying Agent or must be a proxy under a block voting instruction validly issued and lodged by a Paying Agent. A holder of Bonds not wishing to attend and vote at the meeting in person may either deliver his Bond(s) or voting certificate(s) to the person whom he wishes to attend on his behalf or give a voting instruction (on a voting instruction form obtainable from the specified offices of the Paying Agents set out below) instructing a Paying Agent to appoint a proxy under a block voting instruction to attend and vote at the meeting in accordance with his instructions. For the purposes of obtaining voting certificates or giving voting instructions to proxies in respect of the meeting, Bonds may be deposited with any Paying Agent or (to the satisfaction of such Paying Agent) to its order or under its control with CEDEL or the Operator of the Euro-clear System or any other person until 48 hours before the time fixed for the meeting but not thereafter. 2. The quorum required at the meeting is two or more persons present holding Bonds or voting certificates or being proxies or representing in the aggregate over 50 per cent in principal amount of the Bonds for the time being outstanding. If a quorum is not present at the meeting, the meeting will be adjourned and the Extraordinary Resolution will be considered at an adjourned meeting (notice of which will be given to the Bondholders). The quorum at such an adjourned meeting will be two or more persons present holding Bonds or voting certificates or being proxies (whichever the principal amount of the Bonds so held or represented by them). 3. To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than three-fourths of the votes cast. If passed, the Extraordinary Resolution will be binding upon all the Bondholders, whether or not present at such meeting and whether or not voting. PRINCIPAL PAYING AGENT S.G. Warburg & Co. Ltd. Paying Agency, 2 Finsbury Avenue, London EC2M 2PA OTHER PAYING AGENTS Banque Internationale à Luxembourg S.A., 2 Boulevard Royal, 2068 Luxembourg Swiss Bank Corporation, 1 Aeschenvorstadt, 4003 Basle This notice is given by Bankers Trustee Company Limited, Dashwood House, 69 Old Broad Street, London EC2P 2EE. Dated 16th February 1989

COMPANY NOTICES

MURRAY JAPAN GROWTH FUND
Société d'investissement à capital variable
R.C. Luxembourg B. 68621
NOTICE OF EXTRAORDINARY GENERAL MEETING

The shareholders of Murray Japan Growth are hereby convened to an extraordinary general meeting to be held in Luxembourg on 24.02.1989 at 14.30 pm with the following agenda:
1) to amend the Articles of Incorporation in order to satisfy the requirements of the Luxembourg law of 20th March 1968 on collective investment undertakings;

OUTOKUMPU OY
NOTICE
to the holders of Outokumpu Oy
U.S.\$30,000,000 9 per cent. Bonds due 1991

NOTICE IS HEREBY GIVEN that a Meeting of the holders ("the Bondholders") of the above-mentioned bonds ("the Bonds") convened by Outokumpu Oy ("the Issuer") will be held at 9.00 a.m. on Friday 10th March, 1989 at the offices of Banque Générale du Luxembourg S.A. at 14 Rue Aلدringen, L-2551 Luxembourg;

OUTOKUMPU OY
NOTICE
to the holders of Outokumpu Oy
ECU 60,000,000 8 per cent. Bonds due 1996

NOTICE IS HEREBY GIVEN that a Meeting of the holders ("the Bondholders") of the above-mentioned bonds ("the Bonds") convened by Outokumpu Oy ("the Issuer") will be held at 9.30 a.m. on Friday 10th March, 1989 at the offices of Banque Générale du Luxembourg S.A. at 14 Rue Aلدringen, L-2551 Luxembourg;

MIS INCOME & GROWTH FUND
SICAV
2, Boulevard Royal
L-2551 LUXEMBOURG
R.C. Luxembourg B. 23418
NOTICE
In hereby given that an extraordinary general meeting of shareholders will be held at the registered office at Luxembourg on March 3, 1989 at 11.30 a.m. in order to receive and approve the following amendments to the Articles of Incorporation:

EUROPEAN ECONOMIC COMMUNITY
USD 75 000 000, -10 3/4%
- 1983/1995
Bondholders are hereby informed that the redemption instalment of USD 7 500 000, due on February 24th, 1989 will be payable by lot on February 28th, 1989 in the presence of Madama Jeanna KLOUZE Notary Public, in Luxembourg.

LEGAL NOTICE
No. 00433 of 1989
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF
UNILEVER PLC
-and-
IN THE MATTER OF
THE COMPANIES ACT 1985
NOTICE IS HEREBY GIVEN that a Petition was on the 24th January 1989 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the capital of the above-named Company from £141,418,750 to £136,373,982 by returning unpaid calls in full in respect of the shares of the Company.

AMENDMENT OF ARTICLE 3 BY ADDING THE WORD "SECURITIES"
AMENDMENT OF THE SECOND PARAGRAPH OF ARTICLE 3 BY REPLACING THE REFERENCE TO THE LAW OF AUGUST 25, 1985 BY A REFERENCE TO THE LAW OF MARCH 30, 1985.
AMENDMENT OF PARAGRAPH 2 OF ARTICLE 11 BY DELETING "BY LAW AND".

BUSINESS AVIATION & CHARTER
The Financial Times proposes to publish this survey on:
30th March 1989
For a full editorial synopsis and advertisement details, please contact:
Tim Kingham
on 01-248 8000 ext 3606

STANLEY STANLEY GEORGE HOLDINGS PLC
No. 607962 of 1988
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF
STANLEY GEORGE HOLDINGS PLC
-and-
IN THE MATTER OF
THE COMPANIES ACT 1985
NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated 22nd January 1988 confirming the reduction of the capital of the above-named Company from £8,000,000 to £4,000,000 and confirming the constitution of the account at £252,728.77 standing to the credit of the Shares Premium Account of the Company and the Minutes approved by the Court showing with respect to the capital of the Company as altered the several particulars required by the above-mentioned Act were registered by the Registrar of Companies on 14th February 1988.

EXTRAORDINARY RESOLUTION
"THAT this Meeting of the holders ("the Bondholders") of the U.S.\$30,000,000 9 per cent. Bonds due 1991 ("the Bonds") of Outokumpu Oy ("the Issuer") issued under a Fiscal Agency Agreement ("the Fiscal Agency Agreement") dated 15th October, 1986 made between the Issuer and Banque Générale du Luxembourg S.A. ("the Fiscal Agent") hereby:

EXTRAORDINARY RESOLUTION
"THAT this Meeting of the holders ("the Bondholders") of the ECU 60,000,000 8 per cent. Bonds due 1996 ("the Bonds") of Outokumpu Oy ("the Issuer") issued under a Fiscal Agency Agreement ("the Fiscal Agency Agreement") dated 28th April, 1986 made between the Issuer and Banque Générale du Luxembourg S.A. ("the Fiscal Agent") hereby:

BRACKEN HOUSE
10 Cannon Street
London EC4P 4BY
or write to him at:
Bracken House
10 Cannon Street
London EC4P 4BY

FINANCIAL TIMES
LONDON'S BUSINESS NEWSPAPER

APPLIED RETAIL TECHNOLOGY LIMITED
Registered number: 189483E.
Date of appointment of administrative receiver: 8 February 1989.

MURRAY AMERICAN GROWTH
Société d'investissement à Capital Variable
R.C. Luxembourg B.6235
NOTICE OF EXTRAORDINARY GENERAL MEETING
The shareholders of Murray American Growth ("the Corporation") are hereby convened to an extraordinary general meeting of shareholders to be held in Luxembourg on 24th February, 1989 at the registered office, 14 rue Aلدringen, at 14.00 pm with the following agenda:

MURRAY PACIFIC GROWTH
Société d'investissement à Capital Variable
R.C. Luxembourg B.7425
NOTICE OF EXTRAORDINARY GENERAL MEETING
The shareholders of Murray Pacific Growth ("the Corporation") are hereby convened to an extraordinary general meeting of shareholders to be held in Luxembourg on 24th February, 1989 at the registered office, 14 rue Aلدringen, at 14.00 pm with the following agenda:

NORDIC BANKING
The Financial Times proposes to publish this survey on:
29th March 1989
For a full editorial synopsis and advertisement details, please contact:
Chris Schaaming
on 01-248 8000 ext 3699

WORLD TEXTILES
The Financial Times proposes to publish this survey on:
Wednesday, 22nd March, 1989
For a full editorial synopsis and advertisement details, please contact:
BRIAN HERON or PHILIP DODSON
on 061 834 9381 (telex 666813)

ART GALLERIES
MERRICK GALLERIES 30 Throg Street, South Kensington, SW7, SW7 1JES. Paintings and Sculpture by Donald Harris. (18th-20th Century). Weekdays 9.5-5.5. Sat 9-4.
CLASSIFIED ADVERTISEMENT RATES
Per line single
Per line odd (min 3 lines)
Per line double (min 3 lines)

FINANCIAL TIMES
LONDON'S BUSINESS NEWSPAPER

FINANCIAL TIMES
LONDON'S BUSINESS NEWSPAPER

Financial Controller

Oxfordshire
£28-33,000 + Car

Our client is the UK marketing subsidiary of a rapidly growing private European group in the contract furnishings industry.

The UK company has been in existence for a number of years and following a substantial marketing commitment is now poised to grow very rapidly from its current £8 million turnover.

As a consequence of this high growth activity, the group recognises the need to strengthen the management team and its financial controls with the creation of the new position of Financial Controller. Reporting to the General Manager you will have responsibility for all financial company secretarial and EDP issues, together with administration support of the sales force through a team of 7 people. The main thrust of the role will be in providing commercial information to run the business and in managing the growth of the company, with a strong emphasis on computerisation and automation.

You will be a qualified accountant aged 33-42 with several years' experience in high growth marketing/distribution industries. Commercial awareness, flexibility, diplomacy and good communication skills are high prerequisites, together with a detailed knowledge of, and experience in implementing computer systems.

Interested applicants should submit their CV with a covering letter in their own handwriting to Wayne Thomas, Executive Division, Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Eton, Berkshire SL4 6BW.

Michael Page Finance
 International Recruitment Consultants
 London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
 Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide



THE SPS CONSULTANCY GROUP PLC

Finance Director

c £40,000 package

Our client, who provides professional consultancy services in space planning, interior design, architecture and project management, seeks to appoint a Finance Director. Floated on the USM around 2 years ago it is committed to a corporate strategy of growth through development of existing businesses and by acquisition of complementary companies.

The Finance Director will assume total responsibility for the management of the finance and administration functions of the Group and its three subsidiaries. Reporting directly to the Chairman, he/she will have significant contact with the City and play an active role in identifying, investigating and negotiating new acquisitions.

Candidates, aged 35-40, are likely to be Chartered Accountants, who can demonstrate a strong track record of achievement along with an exposure to City dealings and Stock Exchange requirements. A commercial approach and well-developed interpersonal skills will be necessary to make an effective contribution at board level in this people-based business.

Interested applicants should telephone Stephen K. Banks ACMA on 01-831 2000 or write to him at Michael Page Finance, 39-41 Parker Street, London WC2B 5LH, quoting reference 2916.

Michael Page Finance
 International Recruitment Consultants
 London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
 Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

FINANCIAL CONTROLLER

c. £30K + CAR + BENEFITS **LONDON BASE**

The Company, a subsidiary of Inchcape plc is part of the Buying Services Business which is one of the core activities of this diversified international services and marketing Group. The Company provides a comprehensive sourcing, shipping and importation service to major UK retailers.

As the Financial Controller you will report directly to the Controller Buying Services in Hong Kong and functionally to the UK Company's Chief Executive. You will initially be responsible for the finance, stock control and shipping department and be a key member of the Company's Executive Management Committee. Slim margins demand disciplined and tight financial controls together with fast and accurate management information in accordance with Group standards. You will also need considerable experience of import requirements and foreign exchange management to be successful in this role.

You need to be an experienced qualified accountant who is capable of structuring a function to meet the requirements of the business and the Group and a hardworking 'hands on' manager with a strong personality. The role will develop following the implementation of key activities and will require some overseas travel.

Interested applicants please write with full career details to: Madar (U) Limited, 2 The Courtyard, Smith Street, London SW3 4EE.

Inchcape

Strategic Planning & Business Analysis

London W1 c £35,000 plus car

A major international plc and one of the 100 largest non-financial companies in Europe seeks an exceptional business professional to join a small young head office team.

The successful candidate will help drive the strategic planning of the Group and this will include long-range planning, portfolio analysis and market appraisal. There will also be involvement with international acquisitions.

Applications are invited from MBA graduates, aged late twenties to early thirties, who can demonstrate an excellent track record including relevant commercial experience and the ability to add value to the business. Having a European language skill would be an advantage.

This high profile appointment offers excellent prospects to candidates with business flair and good communication skills who enjoy the intellectual challenge and contact with main board members. The attractive remuneration package is flexible dependent upon experience and includes a fully expensed car and contributory pension scheme.

Interested candidates should send a comprehensive curriculum vitae including details of current remuneration and a daytime telephone number to:

HODGSON IMPEY Andrew Sales (Ref 007)
 Director
 HODGSON IMPEY
 SEARCH & SELECTION
 LIMITED
 50 Pall Mall London SW1 4JQ

UNIQUE ROLES AT THE HEART OF THE CITY

Recently-Qualified Accountants
c £23-25K+ benefits

The Securities Association is the largest self-regulating organisation set up under the Financial Services Act, covering The Stock Exchange and international markets. Although a young organisation, TSA has rapidly established itself as a professional promoter of high standards in the City business it regulates, working in the interests of investor protection.

The Enforcement Division offers opportunities for newly or recently-qualified accountants in the following roles:

Financial Regulations Executive
 You will research and prepare discussion papers and reports for ISE committees, advise member firms on the interpretation and application of TSA rules and liaise with the Inspectorate and external bodies.


Applicants should be Chartered Accountants, with the ability to think creatively and, ideally, stockbroking or banking audit experience.

Inspectors
 As well as monitoring member firms to ensure that TSA rules are correctly interpreted and applied you will provide an enquiry and advisory service.

Candidates should be Chartered or Certified Accountants who can combine firmness with a helpful attitude. The job will enable you to develop regulatory knowledge and an understanding of the marketplace.

Both positions offer on the job training and a wide range of benefits which includes free season ticket within a 60 mile radius, non-contributory pension, PPP subsidised restaurant and luncheon vouchers.

Please apply with CV to: Edward Geraghty, The Securities Association
 The Stock Exchange Building, Old Broad Street, London EC2N 1BQ.
 Tel: 01-820 9111 Ext 20353



SPORTS ADMINISTRATION FINANCIAL CONTROLLER

The governing Body of a major sport is seeking to appoint a Financial Controller who will be responsible for the overall financial management and control of the organisation.

The organisation has a turnover in excess of £10 million in trading and related activities and the Controller will be expected to set up and monitor management accounting systems to control these operations.

The successful applicant will be fully qualified, have had 5-10 years experience in commercial accounting and have a working knowledge of taxation and legal matters. He will be working with a fully established accounting team and be expected to participate in the development of the organisation's future financial strategy.

The appointment will be based in London and the salary and benefits package will be in line with the market and related to the successful applicant's age and experience.

If you are interested please submit an application together with a C.V. to: Box A1141, Financial Times, 10 Cannon Street, London EC4P 4BY

SMALL COMMERCIAL BANK IN SPAIN

SUBSIDIARY OF INTERNATIONAL BANKING GROUP
 Seeks a **DIRECTOR GENERAL**

based in Madrid. The position presents a challenge for a candidate with proven experience and a firm commitment to professionalism and teamwork, who will take full responsibility for the management and development of the institution in Spain.

Applicants must be eligible to work in Spain, be fluent in English and Spanish and have in-depth knowledge of the Spanish and international markets.

We are offering good long term prospects and a competitive negotiable remuneration package.

Write Box A1136, Financial Times, 10 Cannon Street, London EC4P 4BY

FINANCIAL CONTROLLER (DIRECTOR DESIGNATE)

WEST MIDLANDS **c. £28k plus car**

Our client is a substantial international group manufacturing and marketing a range of sophisticated electronic products for industrial use. They now intend to establish a brand new plant at a green field site in the West Midlands.

The Financial Controller will be a key member of the team planning and implementing this investment. Reporting to the Managing Director, he/she will be responsible for financial aspects of the start-up and subsequently developing an effective team and set of systems to handle all the accounting functions on site.

Candidates must be qualified accountants, probably CIMA or ACCA, with a solid background in the manufacturing sector. Commercial acumen and strong management skills are vital. It is unlikely that anyone under the age of 28 will have sufficient weight and maturity for this position.

Benefits include an executive car, medical insurance, pension scheme and generous assistance with relocation costs if appropriate.

Please apply, in confidence, with career and salary details, quoting ref: 45075, to Mike Cross, Charles Barker Selection, 93 Broad Street, Birmingham B15 1AL.

CHARLES BARKER Selection
 Executive Selection & Search Consultants

FINANCE DIRECTOR

Electrical Components Industry
Suffolk

Our client, the profitable UK subsidiary of an international company, manufactures and distributes high quality electrical components worldwide. Clients include several "blue-chip" companies. They seek a dynamic Finance Director to fill a broad financial and commercial role in an expanding company.

The appointee will be a qualified accountant, aged 28-35, with a progressive track record gained within a manufacturing environment. Business planning experience is essential. Familiarity with treasury and cash management, foreign exchange and systems development is highly desirable. Personal qualities include commitment, enthusiasm and the ability to make things happen.

For further details telephone Windsor (0753) 87775 (24 hrs), or write with CV to: Foster A Page, Human Resources, 31 Conventry Lane, 9 High Street, Windsor, Berks SL4 1LX, quoting Ref: PP/894.

3i Consultants Ltd
 Human Resources



A WEALTH OF EXPERIENCE

ACCOUNTING FOR DERIVATIVE PRODUCTS

Salary c. £24,000 + Bonus and other Banking Benefits

A UK Investment Banking Subsidiary of the World's fifth largest bank currently has a vacancy for a newly/recently qualified Accountant. This position has arisen due to the continued expansion of the bank's operation in the UK.

This Accountant will be a member of a small team, and responsible for all of the bank's derivative product operations in ERA's, FRA's, FXA's, Futures, Index and Currency Options.

Whilst a knowledge of the above products would be an advantage, the successful candidate will be given the necessary training.

Please telephone in the first instance to:
 Mrs P Jarvis 01 623 7991 ext 234

AMBITIOUS MANAGEMENT ACCOUNTANT


Potential Finance Director
c. £25,000 - £30,000

We publish The Harbinger Company Guide, The Performance Marketing Guide and The Corporate Register, and The Treasurer Magazine. Significant expansion is anticipated over the next few years and we are looking for an ambitious young accountant to participate and contribute to our growth. The position will take overall charge of the accounting/management information function including management accounts, budgets, cash flows etc. This is a position of influence - we are looking for a potential Finance Director.

The successful candidate is likely to be qualified (ACCA/CIMA/IMA), have had practical experience in a multi-unit organisation and be able to use PCs/spreadsheets etc. Knowledge of publishing, database management, or information technology would be an advantage.

Personal qualities should include people skills and stamina.

To apply, please write with full personal, career and salary details to: Jill Welling, Managing Director, Hemmington Scott Publishing Limited, City Innovation Centre, 26-31 Whitelock Street, London EC1R 0HP. All communications will be treated in absolute confidence.



HEMMINGTON SCOTT
 The Information Advantage

NEW FINANCE DIRECTOR

c. £30,000 + car + significant benefits
 based in High Wycombe, Bucks

The Guinness Trust, one of the largest housing associations, will celebrate its centenary in 1990 - Are you capable of joining the team which will lead it into its second century?

RESPONSIBILITIES will be to:

- develop and review financial strategy
- assume overall management of the accounting function with a staff of 14
- arrange finance for the building programme
- direct and manage the budgetary control and financial reporting systems

REQUIREMENTS for this appointment will be a professional qualification, senior level experience, some knowledge of the housing field and probably experience of the construction industry. The new director will be expected to make a substantial and creative contribution to the Trust's policy-making for the post-Housing Act era and will join four other directors to form a team of five working closely together with the Chief Executive.

For further information telephone Mary Johnson on High Wycombe (0494) 35823

APPLICATIONS should be sent in writing showing how the requirements are met to the Trust's Chief Executive at 4 Corporation Street, High Wycombe, Bucks HP13 6TH.

Closing date is 1 March 1989

Passed Finalists List

CIMA

The names are given below of candidates who passed the Institute's Stage 4 (final) examination, taken in November 1988. The pass rate at this Stage was 39% in the United Kingdom and the Republic of Ireland. The overall pass rate was 30%. The locations shown are those of the Institute's examination centres, home and overseas, at which the successful candidates sat.

A
J. ABERNETHY, Slough; J.H. ABEYARATNA, Colombo; O. ABU BAKAR, Singapore; K. AGYEMAN-MANU, London; T. AHLAN, Colombo; R.I. AINLEY, Leeds; P. AKHTAR, Slough; A.J. AKITA, Kingston upon Thames; A.M.S. AL-BEITI, Dubai; A.I. ALI, Karachi; A.P. ALLISON, Huli; B.H. AMJADEEN, Colombo; C.B. ANANTHAN, Bahrain; A.M. ARCHER, Edinburgh; E.N. ARROWSMITH, Wolverhampton; J.M. ATKIN, Leicester; M.A.S. ATUKORALA, Vancouver; AU FUNG YEE, Hong Kong; H.R. AUSTIN, Swansea;

B
E.C. BABER, Reading; V.J. BAGLEY, Slough; A. BAGSHAW, London; A.L. BAILEY, Kingston upon Thames; G.O. BAILEY, Birmingham; R.A. BAINES, London; C. BALAGHANDRAN, Colombo; M. BAMBER, London; M. BANNISTER, Worthy Down; J.P. BARFLAY, Manchester; F.J.C. BARCLAY, Chelmsford; M.L. BARNARD, Kingston upon Thames; S.J. BARNWELL, Cheltenham; S.V. BATCHELOR, Woking; I. BIRADFOR, London; D.J. BEAUCHAMP, London; P. BEBBINGTON, St. Helens; C.H.J. BEDFORD, Worthy Down; M.G. BEEBY, Southampton; P.J. BEESTON, Wolverhampton; R. BELL, Deeside (North Wales); M.A. BENFORD, Norwich; P. BENSON, London; C.L. BETTLEY, Manchester; R. BHARDWAJ, Nairobi; N. BHURTUN, Mauritius; P.H. BIRCH, Liverpool; C.N. BISHOP, London; M.B. BLOCH, Johannesburg; A. BLUFF, Grimsby; BOEY MEE LIAN, Kuala Lumpur; J.M. BONE, Southampton; J.T. BOOTH, Glasgow; D.G. BORTHWICK, Durban; N.E. BOURKE, Nottingham; C. BOYD, Nottingham; A.G. BOYLE, Glasgow; C.R. BOYLE, St. Helens; J.M. BOYLE, Wetherby; L. BRADFORD, London; S.W. BRAITHWAITE, London; S.L. BRESWIN, Worthy Down; S.P. BRIMBLE, Newport; M.P. BROCKWAY, Nottingham; J.R. BROCKENBROW, Maidstone; J.O. BROWN, Edinburgh; K.S. BROWN, London; P.M. BROWN, Croydon; R.S. BROWN, Taunton; S.J. BROWN, London; M. BUDD, Bristol; G. BULL, Newcastle; K.J. BURBIDGE, Slough; R.R. BURNS, London; K.J. BURTON, Leeds; T.M. BUSH, Leeds; K.M. BYRNE, Limerick;

C
A. CADLE, Orpington; M.J. CALLAN, London; R.D. CALVERT LEE, London; J.H. CAMERON, London; F.S. CAMIER, Dublin; A.J. CAMPBELL, Edinburgh; F.M. CAMPBELL, Southampton; P.J. CAMPBELL, Dundee; M.A. CANTY, Slough; P.D. CARDOSO, Dundee; A.G. CAREY, Slough; I. CARMICHAEL, Glasgow; C.P. CAROLAN, Dublin; J. CARR, London; P.A. CARRAGHER, Croydon; A.P. CARRINGTON, Worthy Down; D.P. CASEY, London; R. CASTLE, Winchester; G.T. CATER, Newcastle; S.J. CATERER, Cheltenham; CHING KONG SAN, Kuala Lumpur; K.L. CHADBURN, London; G.J. CHALLINOR, Leicester; CHAN CHEE MENG, Kuala Lumpur; CHAN YEU CHOY, Kuala Lumpur; CHAN YUEN KEUNG, Hong Kong; T.G.A. CHANDRASENA, Colombo; CHANG PHIL FERN, Kuching; G.M. CHAPMAN, Sheffield; D.L.L. CHARLTON, Derby; R. CHATTERJEE, Kingston upon Thames; M. CHAWLA, Slough; CHEAH CHEE KEONG, Kuala Lumpur; CHEAH CHIN LIM, London; CHEN KEOW PING, Kuala Lumpur; L. CHENG MAN WAI, Hong Kong; C.D. CHESS, Swansea; CHEUNG SHEK LUN, Hong Kong; CHEUNG WEI SING, Hong Kong; CHEW YUET YONG, Kuala Lumpur; G. CHIA SENG KHOON, Singapore; CHINGKOK WOO, London; CHINNIAH DHUSHENTHEN, London; CHIU YIN-WAN, London; CHONG CHIN CHOY, Singapore; A. CHONG YOKE CHAI, Singapore; CHOO LUB HEL, Kuala Lumpur; H. CHOW, Derby; CHOW LAI WAN, London; CHUNG WAH TONG, Kuala Lumpur; A.G. CLARKE, Cambridge; P.A. CLARKE, Kingston upon Thames; S. CLAYTON, Luton; S.D. CLAYTON, Leeds; M. CLIFFORD, London; J.S. COCKBURN, Slough; J. CODDINGTON, Swindon; D. COLEMAN, Dublin; A. COLLEY, Birmingham; A.J. COLLINS, Barking; J.H. COLLINSON, Pitsea;

L.M. CONNAUGHTON, Dublin; J. CONNOR, London; P.W. COOKE, Birmingham; H.N. COOMBS, Derby; M.A.P. COOPER, Southampton; P. COPPOCK, Liverpool; G.A.M. CORBETT, Watford; D.J.P. CORCORAN, Dublin; T.J. CORKERY, Croydon; F. COSTELLO, Dublin; P.W. COWLEY, Slough; S.J. COX, Coventry; V.A. COX, London; S.J. CUNNINGHAM, Southampton; J.G. CUTHBE, Chelmsford;

D
J.M. DAINES, Norwich; G.M. DALE, Orpington; J.S. DALLAS, Cape Town; N.T. DAVE, London; A.J. DAVIDSON, Cheltenham; J.C. DAVIES, Birmingham; M.E. DAVIES, Worthy Down; N.J. DAVIES, Slough; T. DAVIES, Slough; E.C. DAVIS, Sheffield; C.G. DAVISON, Maidstone; C.R. DAY, Liverpool; D.P. DE SILVA, Colombo; C.G. DE SOUZA, Durban; J.P. DE VILLIERS, Johannesburg; R.T. DEAN, Kingston upon Thames; K.T.H. DENTITH, Luton; J. DEVADOSS, Slough; A.T. DEVINE, London; C.R. DEWEY, Luton; L. DING GAIK ENG, Kuala Lumpur; D.N. DISSANAYAKE, Colombo; G.W. DIXON, Deeside (North Wales); DOY PO WAN, Hong Kong; S. DOLAN, Coventry; A. DOLLEY, Luton; A. DONNELLY, Glasgow; T.J. DONOVAN, London; A. DOSHI, Calcutta; A.P. DOWNEY, London; D.J. DOWNS, Hull; K.A. DOYLE, Dublin; P.F. DOYLE, Southampton; S.W. DRAIN, Maidstone; R.A. DRAPER, Northampton; A.D. DU PLOOY, Johannesburg; F.L.P. DUNNING, Oxford; P. DUNSTER, Worthy Down; R. DURGADGSS, Muscat; L. DYNE, Leeds;

E
D.E. EALDEN, Maidstone; I. EBRAHIM, London; S.J. EDDY, Worthy Down; R. EDEN, Worthy Down; C.R. EDWARDS, Peterborough; D. ELLIS, York; S.J. ELLIS, London; F.F. ELLIS-WINKFIELD, Kingston upon Thames; P.W. ENSTON, Aberdeen; C.E. ESHO, Luton; H. EVANS, Slough; D.J. EVERITT, Hull;

F
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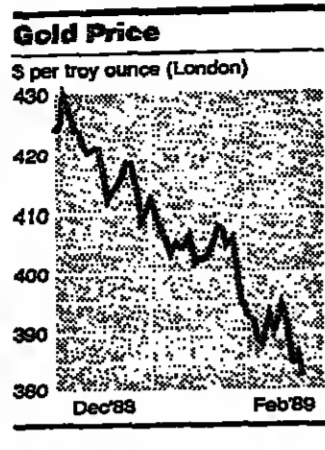
Patrick Sherriff
Ext 4627

COMMODITIES AND AGRICULTURE

Miners feel the pinch as gold price slide continues

By Kenneth Gooding, Mining Correspondent

THE GOLD price dropped to \$380.50 a troy ounce in London yesterday morning, its lowest level for 26 months. It later recovered to close at \$382 an ounce, down \$4 on the day and \$12.25 below the price last Friday when the latest fall was set in motion after some leading US banks raised their interest rates.



Some analysts said the gold price yesterday found support at \$380 an ounce. However, they suggested that, if gold broke through the \$380 to \$375 an ounce range, which is seen as a main support, the next stop might be \$325 an ounce.

Dealers in London said gold eased from the opening of trading following a weak performance in the US overnight and after some serious Far East selling.

selling forward to lock in profits in case the price goes down even further. On the demand side one big prop has been weakened by the decision some months ago of Taiwan's Central Bank to stop buying bullion.

The Taiwan finance ministry yesterday reported that gold imports in January totalled 21,288 tonnes worth \$263m, well down on the 39.3 tonnes in the same month last year.

Reynolds in Guyana bauxite deal

THE GUYANA Government has signed an agreement with Reynolds, the US-based aluminium group, to exploit a new bauxite mine with a potential annual capacity of 2.6m tonnes, writes Robert Grabham.

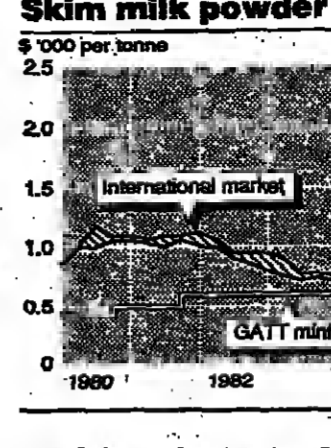
This is the first commercial mining deal Reynolds has struck since the company's extensive interests were nationalised in 1974. It will also give a substantial boost to Guyana's bauxite output, running at just over 1.5m tonnes a year.

The initial capital requirement for the venture, in the Aorima region, has been put at \$25m. The deal is being carried out on a 50/50 basis between the Guyanese Government and Reynolds International, a wholly-owned subsidiary of Reynolds Metals Company. It is hoped that the venture will receive cover from OPIC, the US agency which guarantees overseas investments.

Uneasy flow of Third World milk

John Empson on the effects of rising prices on global dairy markets

DEVELOPED countries in the west may be congratulating themselves that production of milk has been brought under control and the surpluses of dairy products have now been eliminated. But there is another side of the coin, which came under the spotlight at a conference in India last month.



Their balance of payments suffers from the higher cost of imports price change while they also suffer a curtailment in supplies of dairy products given as food aid.

The effect of the price change is to shift the balance of advantage in most developing countries to the positive encouragement of domestic production. A year or so ago, the cost of milk recombined from imported powder was equivalent to 12 cents a litre.

Diamond cartel 'will keep its grip'

By Kenneth Gooding

THE TIGHT grip on the world's rough (uncut) diamond market held by De Beers, the South African mining group, will continue to be effective to the turn of the century even though its share of global sales is forecast to decrease, according to a study by the East-West Center in Honolulu.

Rough diamond prices are forecast to increase at faster rates than inflation in the 1990s because supplies are expected to increase by only 1 per cent a year against historical annual growth of 4 to 5 per cent.

The present stockpile is equivalent to potential gem supplies in the 1990s to the development of a large diamond mine," the study says.

The study predicts that synthetic gem diamonds will be introduced to the market in the 1990s - gem diamond crystals weighing up to 11 carats have been grown in limited numbers at the De Beers Diamond Research Laboratory since the 1970s, according to one report, and Sumitomo of Japan has been similarly successful.

Good oil prospects in Papua New Guinea

By Chris Sherwell in Sydney

PAPUA New Guinea, long regarded as the world's last big untapped petroleum resource, is a potentially rich oil producer and could become a net exporter in the 1990s, according to a detailed study of the country's hydrocarbon prospects.

PAPUA New Guinea, long regarded as the world's last big untapped petroleum resource, is a potentially rich oil producer and could become a net exporter in the 1990s, according to a detailed study of the country's hydrocarbon prospects.

Typically, it costs an oil company US\$5m to sink a single well in Papua New Guinea, and sometimes as much as \$20m. Moreover, it often has to be done without any guidance from seismic work, which in some attractive areas is not possible.

London's International Petroleum Exchange hopes to start a heavy fuel oil futures contract soon, Mr Peter Wildwood, IPE chief executive said yesterday, reports Reuters.

LONDON MARKETS

THE ADVANCE which has lifted London Metal Exchange zinc prices to fresh records on three consecutive days was brought to a halt yesterday as the market ran into profit-taking and producer selling. By the close the cash high grade price was \$26 down on the day at \$1,934 a tonne.

Table of COCOA prices (Dutch) with columns for Close, Previous, High/Low. Includes data for Mar, May, Jul, Sep, Nov, Dec.

Table of LONDON METAL EXCHANGE prices (Prices supplied by Assingham Metal Trading) with columns for Close, Previous, High/Low, Amt Official, Karb close, Open Interest. Includes data for Aluminium, Cash, Copper, Lead, Zinc.

Table of LONDON BULLION MARKET prices with columns for Close, Previous, High/Low, Amt Official, Karb close, Open Interest. Includes data for Gold, Silver, Platinum, Palladium.

Table of SOYABEAN MEAL prices with columns for Close, Previous, High/Low. Includes data for Mar, May, Jul, Sep, Nov, Dec.

Table of POTATOES prices with columns for Close, Previous, High/Low. Includes data for Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

Table of SOYABEAN OIL prices with columns for Close, Previous, High/Low. Includes data for Mar, May, Jul, Sep, Nov, Dec.

Table of CHICAGO prices with columns for Close, Previous, High/Low. Includes data for Soyabean Meal, Soyabean Oil, Wheat, Corn.

US MARKETS

THE ENERGY complex was the busiest with crude oil prices gaining over 50 cents, reports Draxly Burnham.

Table of SILVER prices (5,000 troy oz; contract) with columns for Close, Previous, High/Low. Includes data for Feb, Apr, Jun, Aug, Oct, Dec.

Table of COPPER prices (25,000 lbs; contract) with columns for Close, Previous, High/Low. Includes data for Feb, Apr, Jun, Aug, Oct, Dec.

Table of CRUDE OIL prices (Light 42,000 US gal; \$/barrel) with columns for Latest, Previous, High/Low. Includes data for Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

Table of HEATING OIL prices (42,000 US gal; contract) with columns for Latest, Previous, High/Low. Includes data for Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

Table of COCOA prices (10 tonnes/tonnes) with columns for Close, Previous, High/Low. Includes data for Mar, May, Jul, Sep, Nov, Dec.

Table of SOYABEAN OIL prices (60,000 lbs; contract) with columns for Close, Previous, High/Low. Includes data for Mar, May, Jul, Sep, Nov, Dec.

Table of WHEAT prices (5,000 bu; contract) with columns for Close, Previous, High/Low. Includes data for Mar, May, Jul, Sep, Nov, Dec.

WORLD COMMODITIES PRICES

Table of SPOT MARKETS prices with columns for Close, Previous, High/Low. Includes data for Crude oil, Dubai, Brent, WTI, Gas, Naphtha, Petroleum Argus Estimates.

Table of LONDON METAL EXCHANGE PRICES (continued) with columns for Close, Previous, High/Low, Amt Official, Karb close, Open Interest. Includes data for Aluminium, Cash, Copper, Lead, Zinc.

Table of LONDON BULLION MARKET (continued) with columns for Close, Previous, High/Low, Amt Official, Karb close, Open Interest. Includes data for Gold, Silver, Platinum, Palladium.

Table of SOYABEAN MEAL (continued) with columns for Close, Previous, High/Low. Includes data for Mar, May, Jul, Sep, Nov, Dec.

Table of POTATOES (continued) with columns for Close, Previous, High/Low. Includes data for Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

Table of SOYABEAN OIL (continued) with columns for Close, Previous, High/Low. Includes data for Mar, May, Jul, Sep, Nov, Dec.

Table of CHICAGO (continued) with columns for Close, Previous, High/Low. Includes data for Soyabean Meal, Soyabean Oil, Wheat, Corn.

Table of WHEAT (continued) with columns for Close, Previous, High/Low. Includes data for Mar, May, Jul, Sep, Nov, Dec.

LONDON STOCK EXCHANGE

Sluggish trading session in equities

A WEAK dollar and worries over upward pressure on interest rates in Europe combined to take the heart out of the UK equity market yesterday. Turnover fell away from its recent totals and major market indices shuffled around their overnight levels...

Account Dealing Dates table with columns for Account Dealing Dates, Open Dealing Dates, and Account Dates.

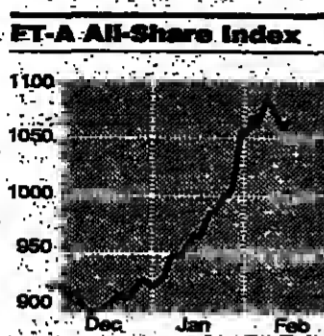
hopes depend significantly on calmness in world currency markets. City analysts are now preparing their forecasts of the UK Budget, due on March 14. At Hoare Govett, Mr Richard Jeffrey says that "we would sanction against any cut in the basic rate (of tax) itself".

was in the London International Financial Futures market again, and this helped the exporting stocks resist the pressures of a falling dollar. Overall, however, it was a thin trading day, with lower share prices no longer attracting the funds managers.

gap. Such hopes proved illusory and the Footsie contract was at a 27 premium at the close. The big disappointment was the Seaq turnover total, which closed at 463.5m, boosted significantly by late activity as Wall Street opened; the Seaq total had reached 265.2m by noon...

Gateway dip after City visit

After a dull start shares in food retailer Gateway fell sharply in frantic afternoon trading. An informed trader that Warburg Securities and BZW, joint brokers to the supermarket group, were to downgrade their forecasts following a lunchtime presentation to institutions at Warburg by Mr Alec Monk, the Gateway chairman...



unless it can obtain a dispensation from the UK Monopolies and Mergers Commission, has been holding talks with Gold Fields. Minorco's original offer of about \$3m for the mining group lapsed formally when it was referred to the Monopolies Commission.

closed 6 up at 264p. A specialist trading trader said "stock seems to be kicking around" of Rugby, 3 off at 170p, but he mentioned seeing revived buying interest in Alfred McAlpine ahead of the February 28 preliminary figures.

coming into the market and being immediately absorbed", reported one trader, who also noted a series of buy orders and European demand for the underlying equity. Talk that County NatWest WoodMac had downgraded their unsettled Bataars, but after County denied any such move the shares closed only 2 easier at 202p.

Investors in Plessey were on the receiving end of a presentation by chairman Sir John Clark. They emerged mostly encouraged, which helped the price up 2 to 254p. The possibility of a renewed bid involving GEC - the last one lapsed nearly a year ago - and perhaps a bid for the company aroused speculative enthusiasm for shares of Coslit, which rose 3 to 378p.

makers short, and the yesterday the price jumped 6 to 127p as they readjusted their positions. Worries about food hygiene and "listeria hysteria" began to take its toll on some stocks in the food sector, with Northern Foods, down 9 at 283p, the hardest hit, and supermarket chain Sainsbury a penny easier 235p.

Further consideration of the buy-in plan by Theseus Investments of New Zealand raised Noble & Lund 3 more to 106p while Doctus responded to speculative inquiries with a rise of 13 to 149p. Hoping for good interim results when the company reports next Tuesday, buyers moved on Michael Peters, up 5 at 113p, while increased annual profits boosted Independent Newspapers 15 to 529p.

International stocks were depressed by the fall in the US dollar, but were helped at the close by a firm start on Wall Street. ICI trimmed its fall to end a net 9 down at 1188p, while Glaxo followed a similar trend to finish 12 off at 1283p.

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Plant hire companies found favour, with Shorrock prominently better at 172p, up 8, while timber merchant J Latham rose 10 to 310p. Bumper annual profits drew country buying of Arncliffe which, in a thin market, raced 38 higher to 228p.

Investors took an increasingly positive view of Unitech's recent US acquisition, and the shares moved up 6 to 257p in a thin market. Light trading meant a sharp movement in MBS, which gave up the week's gains to shed 4 at 43p.

Gold Fields doubts Nervous selling of both shares and traded options in Consolidated Gold Fields reflected worries in the London market that any second bid for the equity from Minorco may prove a disappointment to speculators. With Minorco still awaiting a New York Court ruling on the situation, the market was hinting yesterday that any renewed bid might be at only a share at least £1 below speculators' hopes.

Construction issues tended to ease with the notable exception of Cairn, whose stock retained the 'trend' supported by a circular revising forecasts of the building team at Penruddock. It believes a re-rating is overdue and recommends clients to buy because the shares are still undervalued, despite outperforming the market recently.

Books, still regarded as a potential saviour of Dixons, inched a penny higher to 282p after lunching with a leading securities house, while Dixons shed a halfpenny to close at 161 1/2p on turnover of nearly 4m shares. "There was stock

British Airways moved with the market trend, despite the encouraging third-quarter profits and accompanying confident statement. After regaining an early loss to stand higher on balance, the price later went lower again to settle 3 1/2 down at 195 1/2p. De La Rue continued to feel the adverse effects of Tuesday's profit warning, losing 16 more to 376p while Suter gave ground following termination of the possible offer talks to close 6 easier at 201p.

Wassell returned to favour, gaining 12 to 285p, but scattered profit-taking sliced 7 off SAC International, at 125p. Further consideration of the buy-in plan by Theseus Investments of New Zealand raised Noble & Lund 3 more to 106p while Doctus responded to speculative inquiries with a rise of 13 to 149p.

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NEW HIGHS AND LOWS FOR 1988/89

Table listing new highs and lows for various companies in 1988/89, including names like British Airways, BT, and others.

APPOINTMENTS

- Mr Stanislas Emmons to the board. He is administrator of Sibelo.
FRINTSCAN VERIFICATION SYSTEMS has appointed Mr M.P. O'Neill as special adviser to the board.
HOTWORK INTERNATIONAL has appointed Mr Donald A.S. MacLellan as a non-executive director.
TI DESPOND TUBES has appointed Dr John Dewar as technical director.
Mr Alan E. Horn has been appointed group financial director of INTEREUROPE TECHNOLOGY SERVICES.
Mr Stuart Heap has been appointed joint managing director (with Mr Ken Kubota) of JVC PROFESSIONAL PRODUCTS in the UK, Italy and Germany.
MERCANTILE GROUP has appointed Mr Michael Baylis as managing director of Guy Salmon.
Mr David Ashcroft has been appointed a director responsible for special situations at TRAFALGAR HOUSE DEVELOPMENTS.
JOHN COTTON (COLNIE) has appointed Mr Stephen Ward as managing director.
Mr Marcello Calli has been appointed general manager of BANCO DI SICILIA's London branch.
Mr Lyng Eiak, formerly senior investment manager at Copenhagen Handelsbank, London branch, has joined BJONSKOV SECURITIES, London, as managing director.
Mr Mike Blake has been appointed financial controller of ROYS (WROXHAM). He was company accountant.
SCOTTFRESH has appointed Mr John Whitehead as acting chief executive. He was development manager, and succeeds Mr Anthony Collins, who has resigned.

Citicorp head of banking

CITICORP has appointed Mr Jeffrey B. Grandy as UK country corporate officer and head of Northern European institutional banking. He succeeds Mr Michael Welch who has been promoted to chairman of the credit policy committee and returns to the US. Mr Grandy was head of the specialised finance division of the North American finance group in Citicorp's institutional bank.

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HOTWORK INTERNATIONAL has appointed Mr Donald A.S. MacLellan as a non-executive director.

WATTS, BLAKE, HEARNE AND COMPANY has appointed

Dr Thomas Walkard, co-manager of Govett Strategic Investment Trust, and Mr Gareth Watts, manager of Govett Atlantic Investment Trust, have been appointed directors of JOHN GOVETT & CO.

Mr Stuart Heap has been appointed joint managing director (with Mr Ken Kubota) of JVC PROFESSIONAL PRODUCTS in the UK, Italy and Germany. He will be based in London.

Mr Alan E. Horn has been appointed group financial director of INTEREUROPE TECHNOLOGY SERVICES. He was financial controller, and is company secretary.

FINANCIAL TIMES STOCK INDICES

Table showing financial times stock indices for Feb 15, 14, 13, 12, 11, 10, 8, 7, 6, 5, 4, 3, 2, 1, and Year Ago. Includes indices for Government Secs, Fixed Interest, Ordinary, Gold Mines, etc.

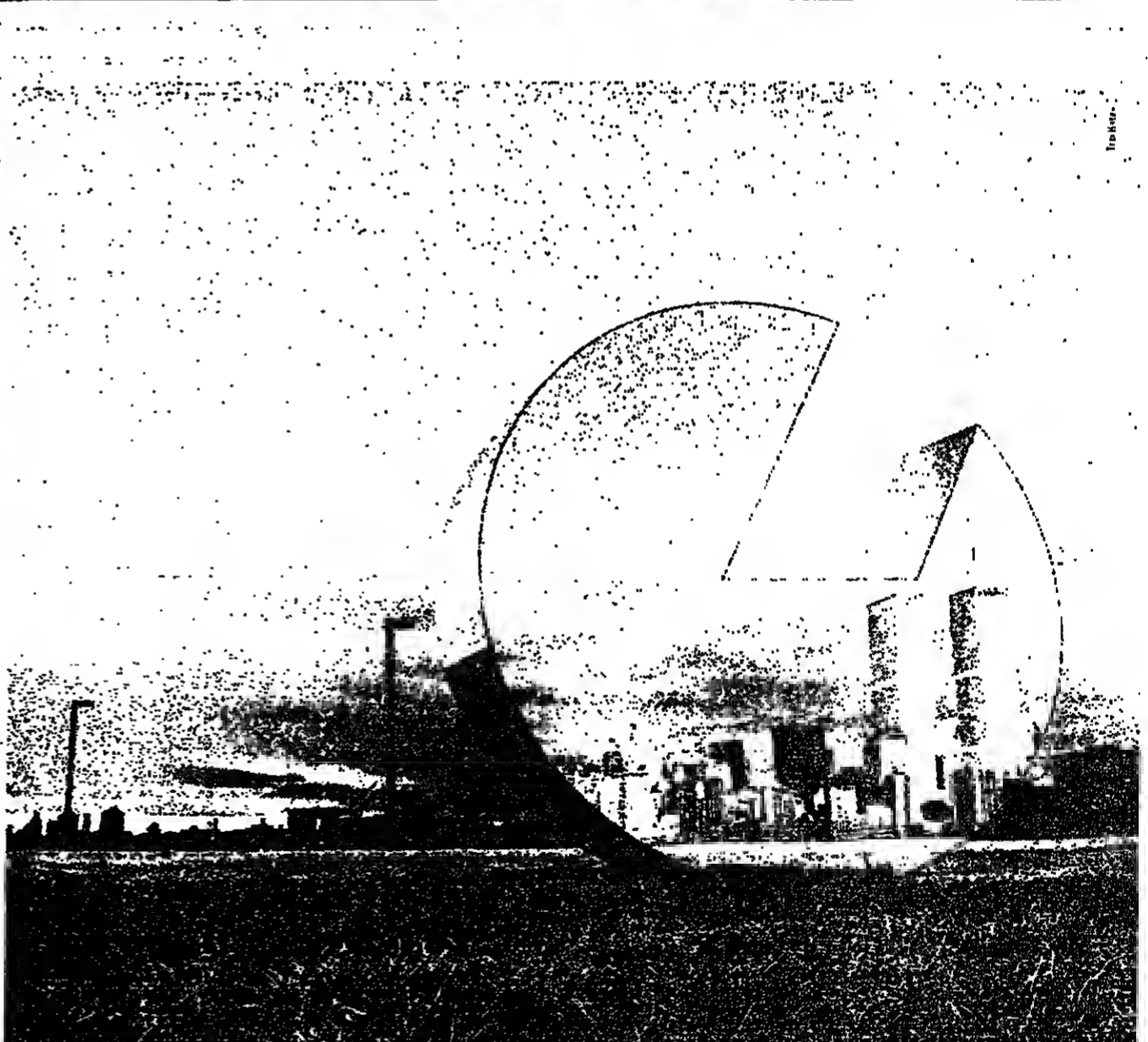
TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume in major stocks for various companies like ASBA Group, Anglo-Thai, Anglo-Thai, etc.

S.E. ACTIVITY

Table showing S.E. activity indices for Feb 15, 14, 13, 12, 11, 10, 8, 7, 6, 5, 4, 3, 2, 1, and Year Ago.

Other market statistics, including FT-Actuaries Share Index and London Traded Options, Page 27



No foreign market can be tapped from afar. Let's start at the heart.

Without actually being on the scene, not even the astute observer of distant markets can always differentiate between cause and effect. In-depth insights into market dynamics evolve only from an active on-site presence. That is why DG BANK maintains its own branches in the world's key business centres. The benefit for our partners: timely intelligence on new developments, enabling you to judiciously avert risks and capitalise on opportunities.

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FT UNIT TRUST INFORMATION SERVICE

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AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abstract Management Ltd, Adams Unit Trust, etc. with columns for Name, Type, and Price.

Table listing unit trusts including Aegion Unit Trust, Aegion Unit Trust, Aegion Unit Trust, etc. with columns for Name, Type, and Price.

Table listing unit trusts including Agri Star Unit Trust, Agri Star Unit Trust, Agri Star Unit Trust, etc. with columns for Name, Type, and Price.

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Table listing unit trusts including Agri Star Unit Trust, Agri Star Unit Trust, Agri Star Unit Trust, etc. with columns for Name, Type, and Price.

GUIDE TO UNIT TRUST PRICING. This section provides detailed information on how unit trust prices are calculated, including the inclusion of commission and the effect of the price at which units are bought or sold.

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FT UNIT TRUST INFORMATION SERVICE

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Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

INSURANCES

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-325-2128

Main table containing unit trust information with columns for Name, Price, Offer Price, Yield, and other financial metrics. Includes sections for 'MANAGEMENT SERVICES', 'OFFSHORE AND OVERSEAS', and 'GUERNEY AUTHORIZED'.

JERSEY AUTHORIZED

Table listing unit trusts authorized in Jersey, including names like 'Capital Growth Fund' and 'Global Growth Fund'.

GUERNEY AUTHORIZED

Table listing unit trusts authorized in Guernsey, including names like 'Guernsey Growth Fund' and 'Guernsey Income Fund'.

MANAGEMENT SERVICES

Table listing management services providers and their associated unit trusts.

OFFSHORE AND OVERSEAS

Table listing unit trusts domiciled in offshore jurisdictions.

GUERNEY AUTHORIZED

Table listing unit trusts authorized in Guernsey.

JERSEY AUTHORIZED

Table listing unit trusts authorized in Jersey.

MANAGEMENT SERVICES

Table listing management services providers.

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JERSEY AUTHORIZED

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FT UNIT TRUST INFORMATION SERVICE

Table of FT Unit Trust Information Service listing various unit trusts with columns for Name, Price, Yield, and other financial metrics.

LONDON SHARE SERVICE

Table of London Share Service listing various funds and shares with columns for Name, Price, Yield, and other financial metrics.

Table of Money Market Trust Funds and Money Market Bank Accounts listing various financial products with columns for Name, Price, Yield, and other financial metrics.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-255-2128

AMERICANS - Contd

Table with columns: 1988/89 High, 1988/89 Low, Stock, Price, Div, Yld, P/E. Includes companies like US Steel, US West, etc.

CANADIANS

Table with columns: 1988/89 High, 1988/89 Low, Stock, Price, Div, Yld, P/E. Includes companies like Alcan, Inco, etc.

BANKS, HP & LEASING

Table with columns: 1988/89 High, 1988/89 Low, Stock, Price, Div, Yld, P/E. Includes companies like Bank of Montreal, etc.

BEERS, WINES & SPIRITS

Table with columns: 1988/89 High, 1988/89 Low, Stock, Price, Div, Yld, P/E. Includes companies like Carlsberg, etc.

BUILDING, TIMBER, ROADS

Table with columns: 1988/89 High, 1988/89 Low, Stock, Price, Div, Yld, P/E. Includes companies like Balfour Beatty, etc.

BUILDING, TIMBER, ROADS - Contd

Table with columns: 1988/89 High, 1988/89 Low, Stock, Price, Div, Yld, P/E. Includes companies like Bovis Lend Lease, etc.

CHEMICALS, PLASTICS

Table with columns: 1988/89 High, 1988/89 Low, Stock, Price, Div, Yld, P/E. Includes companies like ICI, etc.

DRAPERY AND STORES

Table with columns: 1988/89 High, 1988/89 Low, Stock, Price, Div, Yld, P/E. Includes companies like Debenhams, etc.

BUILDING, TIMBER, ROADS

Table with columns: 1988/89 High, 1988/89 Low, Stock, Price, Div, Yld, P/E. Includes companies like Bovis Lend Lease, etc.

ELECTRICALS

Table with columns: 1988/89 High, 1988/89 Low, Stock, Price, Div, Yld, P/E. Includes companies like British Telecom, etc.

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ENGINEERING - Contd

Table with columns: 1988/89 High, 1988/89 Low, Stock, Price, Div, Yld, P/E. Includes companies like BAE Systems, etc.

ENGINEERING - Contd

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ENGINEERING - Contd

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INDUSTRIALS (Misc.) - Contd

Table with columns: 1988/89 High, 1988/89 Low, Stock, Price, Div, Yld, P/E. Includes companies like British Airways, etc.

INDUSTRIALS (Misc.) - Contd

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INDUSTRIALS (Misc.) - Contd

Table with columns: 1988/89 High, 1988/89 Low, Stock, Price, Div, Yld, P/E. Includes companies like British Airways, etc.

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LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-225-1128

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LEISURE - Contd

Table of Leisure stocks including Leisure Group, Leisure Leisure, Leisure Leisure, etc.

PROPERTY

Table of Property stocks including Property Property, Property Property, etc.

TEXTILES - Contd

Table of Textiles stocks including Textiles Textiles, Textiles Textiles, etc.

TRUSTS, FINANCE, LAND - Contd

Table of Trusts, Finance, Land stocks including Trusts Trusts, Finance Finance, etc.

OIL AND GAS - Contd

Table of Oil and Gas stocks including Oil Oil, Gas Gas, etc.

MINES - Contd

Table of Mines stocks including Mines Mines, Mines Mines, etc.

MOTORS, AIRCRAFT TRADES

Table of Motors, Aircraft Trades stocks including Motors Motors, Aircraft Aircraft, etc.

Commercial Vehicles

Table of Commercial Vehicles stocks including Commercial Commercial, Vehicles Vehicles, etc.

Components

Table of Components stocks including Components Components, Components Components, etc.

Garages and Distributors

Table of Garages and Distributors stocks including Garages Garages, Distributors Distributors, etc.

NEWSPAPERS, PUBLISHERS

Table of Newspapers, Publishers stocks including Newspapers Newspapers, Publishers Publishers, etc.

PAPER, PRINTING, ADVERTISING

Table of Paper, Printing, Advertising stocks including Paper Paper, Printing Printing, Advertising Advertising, etc.

TOBACCO

Table of Tobacco stocks including Tobacco Tobacco, Tobacco Tobacco, etc.

TRUSTS, FINANCE, LAND

Table of Trusts, Finance, Land stocks including Trusts Trusts, Finance Finance, etc.

Investment Trusts

Table of Investment Trusts stocks including Investment Investment, Trusts Trusts, etc.

Finance, Land, etc

Table of Finance, Land, etc stocks including Finance Finance, Land Land, etc.

Shipping

Table of Shipping stocks including Shipping Shipping, Shipping Shipping, etc.

SHOES AND LEATHER

Table of Shoes and Leather stocks including Shoes Shoes, Leather Leather, etc.

SOUTH AFRICANS

Table of South Africans stocks including South South, Africans Africans, etc.

TEXTILES

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TOBACCO

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SOUTH AFRICANS

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TRUSTS, FINANCE, LAND - Contd

Table of Trusts, Finance, Land stocks including Trusts Trusts, Finance Finance, etc.

OVERSEAS TRADERS

Table of Overseas Traders stocks including Overseas Overseas, Traders Traders, etc.

PLANTATIONS

Table of Plantations stocks including Plantations Plantations, Plantations Plantations, etc.

MINES

Table of Mines stocks including Mines Mines, Mines Mines, etc.

Central Rand

Table of Central Rand stocks including Central Central, Rand Rand, etc.

Eastern Rand

Table of Eastern Rand stocks including Eastern Eastern, Rand Rand, etc.

Far West Rand

Table of Far West Rand stocks including Far Far, West West, Rand Rand, etc.

D.F.S.

Table of D.F.S. stocks including D.F.S. D.F.S., D.F.S. D.F.S., etc.

Diamond and Platinum

Table of Diamond and Platinum stocks including Diamond Diamond, Platinum Platinum, etc.

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D.F.S.

Table of D.F.S. stocks including D.F.S. D.F.S., D.F.S. D.F.S., etc.

Diamond and Platinum

Table of Diamond and Platinum stocks including Diamond Diamond, Platinum Platinum, etc.

REGIONAL & IRISH STOCKS

Table of Regional & Irish Stocks including Regional Regional, Irish Irish, etc.

TRADITIONAL OPTIONS

Table of Traditional Options including Traditional Traditional, Options Options, etc.

Property

Table of Property stocks including Property Property, Property Property, etc.

Oils

Table of Oils stocks including Oils Oils, Oils Oils, etc.

Mines

Table of Mines stocks including Mines Mines, Mines Mines, etc.

This service is available to every company in an on stock Exchanges throughout the United Kingdom for a fee of 5965 per annum for each security.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Rate doubts create volatility

INFLATION AND interest rates were at the centre of attention on the foreign exchanges yesterday. Recent figures have shown worrying gains in wholesale prices in the US, Britain and West Germany. This points towards a possible tightening of monetary policy...

liquidity from the banking system at this week's securities repurchase agreement tender, but traders continued to doubt that the council meeting will vote for a third tightening of credit in only eight weeks.

isation figure was unchanged at 84.4 per cent. Inflation remains a major concern in the UK, after Monday's news of a sharp rise in British producer output prices, but yesterday's news on industrial production suggests economic growth may be slowing.

FINANCIAL FUTURES

Interest switches to June

TRADING VOLUME in the June short sterling contract outstripped interest in the near March price on the Liffe market yesterday. Investors switched their attention to the later date on reduced hopes of a cut in UK bank base rates around Budget time.

principally in the US and West Germany - means that many investors now expect UK rates to stay at current levels at best until later in the year.

nearly 8,000 lots compared with around 7,500 in the March price. West German Government bonds fell quite sharply in brisk trading, amidst growing speculation of a rise in West German interest rates.

EMS EUROPEAN CURRENCY UNIT RATES table with columns for Country, Unit, and Rate.

£ IN NEW YORK

Table showing exchange rates for £ in New York, including Spot, 1 month, 3 months, and 6 months rates.

CURRENCY RATES

Table showing various currency rates including Sterling, US Dollar, Canadian Dollar, etc.

CURRENCY MOVEMENTS

Table showing percentage changes in currency values for various countries.

OTHER CURRENCIES

Table showing exchange rates for other currencies like Argentine, Brazil, France, etc.

Table showing Pound Spot-Forward Against the Pound with columns for Term, Rate, and % change.

POUND SPOT-FORWARD AGAINST THE POUND

Table showing forward rates for the Pound against the Pound for various terms.

DOLLAR SPOT-FORWARD AGAINST THE DOLLAR

Table showing forward rates for the Dollar against the Dollar for various terms.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for Euro-currency deposits of various maturities.

EXCHANGE CROSS RATES

Table showing cross rates between various currencies like £, DM, Sfr, etc.

Table showing Liffe Long Call Futures Options with columns for Strike, Price, and Volume.

LIFFE LONG CALL FUTURES OPTIONS

Table showing Liffe Long Put Futures Options with columns for Strike, Price, and Volume.

LIFFE SHORT PUTS

Table showing Liffe Short Put Futures Options with columns for Strike, Price, and Volume.

LIFFE EURO-DOLLAR

Table showing Liffe Euro-Dollar Futures Options with columns for Strike, Price, and Volume.

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Table showing Liffe Short Put Futures Options with columns for Strike, Price, and Volume.

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MONEY MARKETS

Uncertainty persists

A FURTHER rise in the West German sale and repurchase rate has left market opinion finely balanced over the possibility of another rise in key lending rates as the Bundesbank central council meets today.

forces. In London, the key three-month interbank rate was unchanged at 13 1/2-12 1/2 per cent, as traders awaited the release of further UK economic data on average earnings and inflation today and tomorrow.

The Bank of England forecast a shortage of around £1,000m. Factors affecting the market included bills maturing in official hands and a take up of Treasury bills, together with repayment of late assistance draining £184m.

UK clearing bank lending rate

The Bank's council meets today against a background of rising inflation and higher wholesale prices. However, some traders are unsure as to whether the authorities will sanction a further rise in lending rates.

The Bank offered an early round of assistance. This comprised outright purchases of £47m of eligible bank bills; £32m in band 1, and £2m in bands 2, 3 and 4, all at unchanged rates.

Further help was of £52m provided in the morning through outright purchases of £5m of eligible bank bills in band 1, £17m in band 2, £2m in band 3 and £22m in band 4.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates for various currencies and terms.

MONEY RATES

Table showing money rates for New York, London, and other markets.

LONDON MONEY RATES

Table showing London money rates for various currencies and terms.

EUROPEAN OPTIONS EXCHANGE

Table showing European Options Exchange data for various currencies and options.

BASE LENDING RATES

Table showing base lending rates for various banks and currencies.

CROSSWORD No. 6,862 Set by TANTALUS. Includes a crossword puzzle grid and clues for Across and Down.

JOTTER PAD. A small notepad or journal page with a grid for writing.

U.S.\$ 20,000,000. Advertisement for Central-European International Bank Ltd. offering Floating Rate Notes 1990.

MB Group plc. Advertisement for MB Group plc with a logo and contact information.

CLASSIFIED ADVERTISEMENT RATES. Table showing rates for various types of classified advertisements.

WORLD STOCK MARKETS

CANADA

Table of stock market data for Canada, including Toronto and various regional indices. Columns include Stock, High, Low, Close, and Change.

INDICES

Table of financial indices including Dow Jones, Nikkei, and various regional indices. Columns include Index Name, Feb 15, Feb 14, Feb 13, Feb 10, High, and Low.

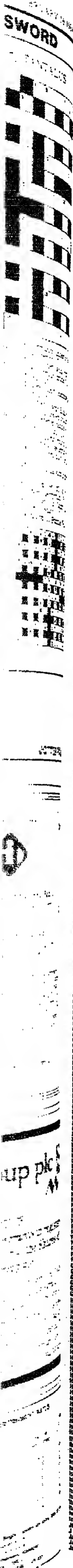
Table of New York Active Stocks, listing various stocks with columns for Stock, Closing Price, Change, and Volume.

Advertisement for 'Travelling on Business?' featuring the Hyatt Regency Hotel and Financial Times.

Advertisement for 'Travelling on business in Germany?' listing various hotels in Hamburg, Köln, Frankfurt, and other German cities.

Advertisement for 'Have your FT hand delivered...' offering home delivery of the Financial Times newspaper.

Main table of world stock markets, organized by country: Australia, France, Germany, Italy, Japan, South Africa, and the UK. Each country section contains a list of stocks with their respective prices and changes.



3pm prices February 15

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	Low	Stock	Vol.	Yield %	Div.	12 Month High	Low	Stock	Vol.	Yield %	Div.	12 Month High	Low	Stock	Vol.	Yield %	Div.
121	118	AAR	44	17.18	0.00	20	20	20	20	0.00	0.00	111	110	Bank of America	200	10.00	0.00
120	119	ACI	121	11.11	0.00	19	19	19	19	0.00	0.00	110	109	Bank of Montreal	200	10.00	0.00
119	118	ACM	121	11.11	0.00	19	19	19	19	0.00	0.00	109	108	Bank of New York	200	10.00	0.00
118	117	ACN	121	11.11	0.00	19	19	19	19	0.00	0.00	108	107	Bank of the West	200	10.00	0.00
117	116	AD	121	11.11	0.00	19	19	19	19	0.00	0.00	107	106	Bank One	200	10.00	0.00
116	115	ADP	121	11.11	0.00	19	19	19	19	0.00	0.00	106	105	Bank of Commerce	200	10.00	0.00
115	114	ADK	121	11.11	0.00	19	19	19	19	0.00	0.00	105	104	Bank of Hawaii	200	10.00	0.00
114	113	ADL	121	11.11	0.00	19	19	19	19	0.00	0.00	104	103	Bank of the Americas	200	10.00	0.00
113	112	ADN	121	11.11	0.00	19	19	19	19	0.00	0.00	103	102	Bank of California	200	10.00	0.00
112	111	ADP	121	11.11	0.00	19	19	19	19	0.00	0.00	102	101	Bank of Chicago	200	10.00	0.00
111	110	ADQ	121	11.11	0.00	19	19	19	19	0.00	0.00	101	100	Bank of East Texas	200	10.00	0.00
110	109	ADJ	121	11.11	0.00	19	19	19	19	0.00	0.00	100	99	Bank of Florida	200	10.00	0.00
109	108	ADK	121	11.11	0.00	19	19	19	19	0.00	0.00	99	98	Bank of Georgia	200	10.00	0.00
108	107	ADL	121	11.11	0.00	19	19	19	19	0.00	0.00	98	97	Bank of Illinois	200	10.00	0.00
107	106	ADN	121	11.11	0.00	19	19	19	19	0.00	0.00	97	96	Bank of Indiana	200	10.00	0.00
106	105	ADP	121	11.11	0.00	19	19	19	19	0.00	0.00	96	95	Bank of Iowa	200	10.00	0.00
105	104	ADQ	121	11.11	0.00	19	19	19	19	0.00	0.00	95	94	Bank of Kansas	200	10.00	0.00
104	103	ADJ	121	11.11	0.00	19	19	19	19	0.00	0.00	94	93	Bank of Kentucky	200	10.00	0.00
103	102	ADK	121	11.11	0.00	19	19	19	19	0.00	0.00	93	92	Bank of Louisiana	200	10.00	0.00
102	101	ADL	121	11.11	0.00	19	19	19	19	0.00	0.00	92	91	Bank of Maryland	200	10.00	0.00
101	100	ADN	121	11.11	0.00	19	19	19	19	0.00	0.00	91	90	Bank of Michigan	200	10.00	0.00
100	99	ADP	121	11.11	0.00	19	19	19	19	0.00	0.00	90	89	Bank of Minnesota	200	10.00	0.00
99	98	ADQ	121	11.11	0.00	19	19	19	19	0.00	0.00	89	88	Bank of Missouri	200	10.00	0.00
98	97	ADJ	121	11.11	0.00	19	19	19	19	0.00	0.00	88	87	Bank of Nevada	200	10.00	0.00
97	96	ADK	121	11.11	0.00	19	19	19	19	0.00	0.00	87	86	Bank of New Hampshire	200	10.00	0.00
96	95	ADL	121	11.11	0.00	19	19	19	19	0.00	0.00	86	85	Bank of New Jersey	200	10.00	0.00
95	94	ADN	121	11.11	0.00	19	19	19	19	0.00	0.00	85	84	Bank of New York	200	10.00	0.00
94	93	ADP	121	11.11	0.00	19	19	19	19	0.00	0.00	84	83	Bank of North Carolina	200	10.00	0.00
93	92	ADQ	121	11.11	0.00	19	19	19	19	0.00	0.00	83	82	Bank of North Dakota	200	10.00	0.00
92	91	ADJ	121	11.11	0.00	19	19	19	19	0.00	0.00	82	81	Bank of Ohio	200	10.00	0.00
91	90	ADK	121	11.11	0.00	19	19	19	19	0.00	0.00	81	80	Bank of Oklahoma	200	10.00	0.00
90	89	ADL	121	11.11	0.00	19	19	19	19	0.00	0.00	80	79	Bank of Oregon	200	10.00	0.00
89	88	ADN	121	11.11	0.00	19	19	19	19	0.00	0.00	79	78	Bank of Pennsylvania	200	10.00	0.00
88	87	ADP	121	11.11	0.00	19	19	19	19	0.00	0.00	78	77	Bank of Rhode Island	200	10.00	0.00
87	86	ADQ	121	11.11	0.00	19	19	19	19	0.00	0.00	77	76	Bank of South Carolina	200	10.00	0.00
86	85	ADJ	121	11.11	0.00	19	19	19	19	0.00	0.00	76	75	Bank of South Dakota	200	10.00	0.00
85	84	ADK	121	11.11	0.00	19	19	19	19	0.00	0.00	75	74	Bank of Tennessee	200	10.00	0.00
84	83	ADL	121	11.11	0.00	19	19	19	19	0.00	0.00	74	73	Bank of Texas	200	10.00	0.00
83	82	ADN	121	11.11	0.00	19	19	19	19	0.00	0.00	73	72	Bank of Utah	200	10.00	0.00
82	81	ADP	121	11.11	0.00	19	19	19	19	0.00	0.00	72	71	Bank of Vermont	200	10.00	0.00
81	80	ADQ	121	11.11	0.00	19	19	19	19	0.00	0.00	71	70	Bank of Virginia	200	10.00	0.00
80	79	ADJ	121	11.11	0.00	19	19	19	19	0.00	0.00	70	69	Bank of Washington	200	10.00	0.00
79	78	ADK	121	11.11	0.00	19	19	19	19	0.00	0.00	69	68	Bank of West Virginia	200	10.00	0.00
78	77	ADL	121	11.11	0.00	19	19	19	19	0.00	0.00	68	67	Bank of Wisconsin	200	10.00	0.00
77	76	ADN	121	11.11	0.00	19	19	19	19	0.00	0.00	67	66	Bank of Wyoming	200	10.00	0.00

The world's first King Size Filter cigarette



Rothmans KING SIZE

OPEN MARKET NEVER EQUALLED

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NYSE COMPOSITE PRICES

Table of NYSE Composite Prices with columns for Stock, High, Low, and Change. Includes a sub-section for 'Over-the-Counter' prices at the top right of the table area.

OVER-THE-COUNTER

Needag national market. 3pm prices February 15

Table of Over-the-Counter prices with columns for Stock, High, Low, and Change. Includes a sub-section for 'AMEX Composite Prices' at the bottom left of the table area.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices with columns for Stock, High, Low, and Change.

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AMERICA

Revival of dollar enables Dow to make a comeback

Wall Street

A REBOUND in the dollar yesterday - occurring in spite of speculation of higher interest rates abroad - helped stocks and bonds recover from recent weakness, writes Janet Bush in New York.

At 2pm, the Dow Jones Industrial Average was quoted 11.96 points higher at 2,333.21 on a moderately active volume of 88m shares. The morning rally, which was based partly on active institutional buying of blue chip and technology issues, was in contrast to recent weakness. The Dow has fallen every day but one in the previous 10 sessions.

The rally came in tandem with rising US bonds and a recovery in the dollar after pronounced weakness overseas. The US currency had been quoted as low as \$125.50 and DMI1.5229 in New York but by mid-session had rebounded to \$126.75 and DMI1.6475.

Stocks and bonds were hit partly on Tuesday by evidence that the US Federal Reserve had moved higher its target for the Fed Funds rate, perhaps to a range of between 9% and 9 1/2 per cent.

The dollar's weakness overseas suggested a belief that the Fed had not tightened significantly enough to combat inflationary pressures.

According to some foreign exchange dealers, currency traders built up long dollar positions after last Friday's much larger-than-expected producer prices increase in expectation that the Fed would move the discount rate higher.

In theory, dollar weakness would give the Fed room to raise the discount rate without prompting an undesired rally. Yesterday's dollar recovery in New York cuts that scope once again.

A number of economic releases had little impact on markets. Industrial production and capacity utilisation for January were both slightly weaker than expected, but were balanced by upward revisions in December's data. Business inventory figures also released yesterday were robust.

The prime motivating factor behind rallies in stocks and bonds appeared simply to be that both markets were regarded as oversold late last week and early this week.

There does not appear to be much concern yet about tomorrow's US trade figures. Blue chip issues did well. International Business Machines rose 1 1/4 to \$125 1/4, Dow Chemical added 3/4 to \$96, American Express gained 1/2 to \$39 and General Motors added 1/2 to \$89 1/2.

Technology issues were also in demand, with Unisys up 5/4 to \$29, Motorola 3/4 higher at \$44 1/2 and Digital Equipment rising 5/4 to \$115.

Among individual stocks, Tamberlane surged 5 1/2 to \$66 1/2 on takeover speculation. Its chairman and chief executive unexpectedly resigned last week and there has been a press report that Mr Donald Kelly, former chairman of Beatrice, was building a stake.

Tesoro Petroleum added 3/4 to \$12 1/2 after saying it had been notified that Oakville, which already holds a 10.3 per cent stake in the company, had applied to raise its stake to above 15 per cent.

DiGiorgio gained 1/4 to \$29 1/2 after investor Mr Arthur Goldberg said that he might seek control of the company and raised his stake to 9.7 per cent. Canonic Environmental Services fell 1/4 to \$14 1/2 in over-the-counter trading to \$22 1/2 after it forecast fourth quarter operating income significantly below analysts' predictions.

A SELL-OFF in gold shares pushed Toronto lower in busy early trading. The composite index fell 22.16 to 3,600.54 on volume of 8.8m shares.

In the gold sector, Placer Dome fell 5/4 to C\$16 and American Barrick slipped C\$4 to C\$23 1/2.

EUROPE

Paris and Frankfurt give up further ground

A LACK of corporate news and further interest rate jitters left Paris and Frankfurt weaker, but speculation and results alleviated trading in some centres, writes Our Markets Staff.

PARIS was sold off again as the bearish tone continued, and share prices ended about 1.7 per cent lower. Features were few, with investors waiting for moves on the interest rate front.

The CAC 40 index finished the session off 28.83 at 1,615.32 and the OMF 50 index lost 7.9 to 455.38. A fair bit of profit-taking was seen, but it was the market, rather than individual stocks, which was being sold after its recent strength.

According to analysts, one said interest rates were playing the role of scapegoat; the correction had been expected for a while and the rates scenario provided an excuse to sell.

Penagot was volatile again, falling FF756 but ending Just FF728 down at FF1.571.

Buyouges saw the largest fall, losing ground in the final minutes of trading on selling by one house. The current warrants issue is also thought to be having a depressive effect on the stock, said one analyst.

Its high price means it will probably not be fully taken up, allowing hard core shareholders to lift the OSE average 129.42 to 30,419.96. Volume increased to 168m shares from 158m on Tuesday.

FRANKFURT had another nervous day, with a pre-bourse recovery on the slightly weaker dollar giving way to renewed worries about monetary tightening. The FAZ index lost 8.87 to 583.11 and the DAX closed 14.15 lower at 1,317.32. Volume remained subdued at DM3.12bn, though slightly up on Tuesday's DM2.6bn.

The rise in January wholesale prices unsettled bonds and equities. Yesterday's lower than expected securities repurchase pact allocation by the Bundesbank at higher rates than the last pact sparked further nervousness, sending signals to the market that the authorities want money supply to grow more slowly.

A rise in key interest rates was now likely, either at today's Bundesbank council meeting or in a fortnight's time, given that strong economic growth is fuelling demand for capital and putting upward pressure on rates, said one analyst.

There was little corporate news, but spokesman Continental fell DM12.20 to DM31.50 after delaying the product launch of Continental Tyre System for several months.

Daimler, which said its planned capital increase would take place before the end of 1989, fell DM4.50 to DM638.50.

Second liners that have shot ahead recently saw some profit-taking, with Klöckner-Werke down DM10.90, or 6 per cent, at DM163 after a 46 per cent rise this year.

ZÜRICH saw improved demand as interest rate fears eased over the course of the session and investors stopped for blue chips. The Credit Suisse index rose 4.8 to 551.9.

In chemicals, registered shares were especially popular amid continued speculation over possible share swaps between domestic chemical companies. There is also the lingering belief that further moves might be in the offing to liberalise shareholdings - perhaps by opening more stock to foreign ownership. Ciba-Geigy registered rose SFR60 to SFR2.610.

OSLO benefited from news that the Government was looking at deregulating financial markets and reopening the bond market to non-Norwegians. The all-share index found 2.38 to 404.45 in busy trading.

Christiania Bank of Kreditkassen, the country's largest bank, gained NKR4 to NKR29.5. It said it planned a NKR12 dividend on 1988 results after not paying a dividend the previous year and predicted a return to profit of about NKR210m against a 1987 loss of NKR570m.

Hydro, which announces results today, fell 50 ore to NKR138. Kvarner, the offshore and engineering concern, rose 50 ore to NKR312.50. It said its shipyard had won a deal worth NKR340m for work connected with the Snorre oil and gas field.

STOCKHOLM slipped in fairly quiet trading, with the Allshare general index off 2.5 to 1,071.0.

Aga, the industrial gas company, fell further, with its free B shares losing SKR6 to SKR260. Forestry stock Mado moved against the tide, with its free shares up SKR7 at SKR400 after analysts' recommendations.

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MADRID remained in an inflation stranglehold, losing ground as investors continued to fear the worst for the January inflation figures, due in the next few days. The general index lost 0.71 to 274.90, taking this week's fall to 1.6 per cent.

Analysts expect the January inflation rate to reach at least 1 per cent compared with 0.6 per cent in January 1988, and that could pressure further interest rate rises.

BRUSSELS dropped in light trading as fears grew of an increase in discount rates after Tuesday's rise in short-term interest rates. The cash index shed 2.87 to 799.86.

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ASIA PACIFIC

STEEL and shipbuilding issues maintained their strength, being liquid and low-priced stocks. NKK topped the most active list with 78.8m shares traded, but finished unchanged at ¥1,010.

Investors chose companies with good earnings prospects, such as nonferrous metals and chemicals. These were also selected because their superconducting materials are expected to become more important with the commercialisation of magnetically levitated high-speed trains.

Sumitomo Metal Industries gained ¥18 to ¥96 in busy trading. Constructions returned to centre stage in Osaka, helping to lift the OSE average 129.42 to 30,419.96.

FRANKFURT had another nervous day, with a pre-bourse recovery on the slightly weaker dollar giving way to renewed worries about monetary tightening.

The CAC 40 index finished the session off 28.83 at 1,615.32 and the OMF 50 index lost 7.9 to 455.38.

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Winter rally in Canada cools off as jitters return

Buoyant merger activity has been dampened by negative economic news, writes David Owen

JUST AS an air of confidence was beginning to creep back into the Canadian markets, a 101-point collapse in two days last week has convinced investors to put their backs on the edge.

The sell-off - sparked by disillusionment with US President George Bush's budgetary pronouncements, coupled with rising US producer prices and interest rates - ended a three-month period during which the benchmark Toronto Stock Exchange 300 index had climbed about 500 points, or 16 per cent.

Though the index seemed to put its troubles behind it swiftly, clawing back 40 points on Tuesday in this volume to close at 3,623.7, the extent of last week's downturn indicated that the jitters that had plagued the market since October 1987 have returned.

The degree to which the extraordinary merger spree, which has buoyed the market in recent weeks, retains its momentum will do much to determine whether or not the nervousness remains.

The winter rally initially took its cue from the majority victory of Prime Minister Brian Mulroney's Progressive Conservatives in the November 21 general election. This gave businesses the assurance of four to five more years of relatively laissez faire government in Ottawa.

It also cleared the way for the ratification of the US-Canada free trade agreement, which took effect on January 2. The deal enables the elimination of virtually all tariffs on trade between the two countries over 10 years.

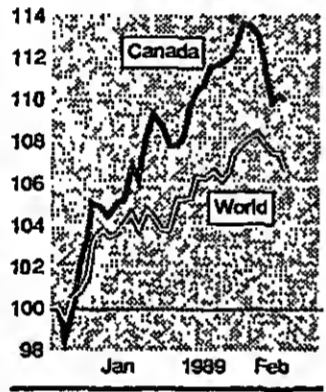
The removal of these two sources of uncertainty appears to have stimulated business confidence and encouraged corporate strategists to push ahead with preparations for a more integrated North American economy.

The result has been a marked acceleration in Canadian merger activity. In 10 days in January, close to C\$10bn (US\$9.5bn) of assets changed hands in the brewing, airline, energy and forestry products sectors.

Furthermore, the current focus on corporate restructuring, coupled with a growing perception that Canadian shares are cheap in comparison with their US counterparts, has fostered an impression that a much broader range of Canadian assets is in play - in spite of the high proportion of domestic companies that are in the hands of a single shareholder.

Add to these facts the continued strength of most commodities markets, and you have a recipe for buoyancy on resource-oriented Canadian exchanges.

FT-A Indices in £ terms



Until last week, this had been sufficient to offset the dampening effect of higher interest rates and reports of rising inflation.

Even the highly speculative Vancouver Stock Exchange, which had died a slow death in 1988 when the VSE composite index lost 31 per cent of its value, rallied from its torpor in January. The index gained about 43 points or 5 per cent in the course of the month.

Among Toronto sub-indices, the strongest gains this year have been in paper and forestry stocks, which are up more than 15 per cent in the wake of Chicago-based Stone Container's C\$2.6bn takeover of Consolidated-Bathurst. The purchase fuelled speculation that further mergers may be in the pipeline.

Property, transportation, consumer products and gold issues have also opened the year strongly.

PWA's recent takeover of Wardair triggered a sharp rise in the Canadian airline stocks, including Air Canada, amid expectations of higher ticket prices and reduced competition.

Merger activity also underlies the increase in the consumer products sub-sector. An announcement that Elders IXL and Molson plan to combine their Canadian brewing operations has followed by rumours of a possible tie-up between John Labatt and St Louis-based Anheuser-Busch.

The improvement in gold stocks, after an exceptionally weak 1988 performance, is largely due to worries regarding inflation.

Canada

A SELL-OFF in gold shares pushed Toronto lower in busy early trading. The composite index fell 22.16 to 3,600.54 on volume of 8.8m shares.

In the gold sector, Placer Dome fell 5/4 to C\$16 and American Barrick slipped C\$4 to C\$23 1/2.

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Influx of funds helps Nikkei to record high

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